

Fighting Fear That Fight Is Lost, White Farmers Persevere in South Africa

By Alan Cowell
New York Times Service

USUTU, South Africa — The white farmers of this settlement on the Orange River are preparing for a conflict against black insurgency. To some, the struggle already seems lost.

"Five years from now, we'll have a black government," said a white man who farms cotton on the banks of the Limpopo River, which separates white rule from black in this part of Africa.

The farmer, who lived in Rhodesia before that country became the black-ruled independent country of Zimbabwe in 1980, has farmed here for five years. Like others of similar background, he was drawn here by government promises that encourage white people to maintain farms in the border area as a buffer zone.

The farmer seemed to base his forecast not so much on the strength of black passions, but on what is perceived as the weakness of the government.

The mistakes, he said, he had seen in the failure to cripple black-ruled neighbors that might become insurgent forces. These would be Zimbabwe and Botswana, which lies 500 yards (450 meters) from his porch. Despite South African military raids into neighboring countries, he said, most white farmers here are still as feeble because they have not carried out enough of them.

Then he did a little political arithmetic. Of the scores of whites in this land of bush and scrub and verdant farmlands, five could be counted on to support the government. The rest, he said, stood to the right amid those groups that advocate total racial segregation.

Why then, one farmer was asked, if a black government in South Africa seems close, does he continue to improve his farm? The farmer showed a vision of a 15-year-old twin, Petrus, the son, and Elizabeth, the girl, could look the type manager of the estate plant that holds a monopoly on cotton crops.

The answer was that he wanted to begeth his farm to his children, who commute to a weekly boarding school in an armored military truck, so that they, like his forebears, would remain here.



Ron Ross, a white South African farmer, standing guard near a security fence at his farm on the Zimbabwe border.

and punched it at 25 yards, displaying the trophy, with a smile, to his father.

In the past, the South African government has accused the black authorities in Botswana of harboring the outlawed African National Congress, the main insurgent group fighting white supremacy in a land whose majority is black.

"Failing to take it so good," said Mr. van der Walt, who was born on the farm next to the one he began creating 11 years ago. "But then he added, with a kind of unspoken despair, 'They'll just keep coming.'"

So why not move away? a visitor asked. "Where else can you go?" Mr. van der Walt said.

At the bar of the Allways Hotel near here, in the crowded settlement of that name, a traveler might learn a little of the sentiments that defy what the authorities call their commitment to racial change.

A man, for instance, says with the conviction that comes of inbreeding that blacks are given by God to be used "properly" by whites while outside, in a pickup, black laborers in his employ walk away an afternoon in the shade.

AMERICAN POLICS

Asian-Americans Head Opportunity's Knock

Like the Jewish immigrants of the 1930s and '40s, the Asian immigrants of the 1970s and '80s embrace "family" and "community" and are motivated by "the money energy they get from their opportunity in America," said Murray Kahn, an assistant principal at the elite Shattuck High School in New York City, where 36 percent of the students are Asian-Americans.

Education's new arrival immigrants from Asia have had extraordinary success in school. In California, nearly a quarter of the college undergraduates are Asian-Americans, although they comprise only 6 percent of the state's population and 2.1 percent of the U.S. population, according to The New York Times.

Contrary to the usual correlation between money or class and academic success, Asian students' good grades at six San Francisco-area high schools were unrelated to their parents' levels of education or economic status, according to a study conducted by Stanford M. Dornbusch, a professor at Stanford University.

"There's no question that Asians are working a class of a lot harder," he said. Mr. Dornbusch's studies found that motivation may suffer from familiarity with the United States. The more English that was spoken in the students' homes, he found, the less well they tended to do in school. "To put it bluntly, Americans may be a melting pot with low standards," Mr. Dornbusch said.

Short Takes

Sixteen candidates are seeking to become Alaska's next governor, and judging by their campaign messages, says The New York Times, no one has a more realistic solution for the state's most divisive issue: Alaska's rights of access and use of federal property. The Alaska National Interest Lands Conservation Act passed by Congress in 1980 design-

ated 102 million acres of Alaska land as national parks or preserves.

Bachelor of science degrees in computer and information science awarded by American universities increased by 576 percent between 1974-84, according to figures from the U.S. Education Department. Also better-represented were degrees in business and management, up 75 percent; communications, up 137 percent; and engineering, up 77 percent.

Notes About People

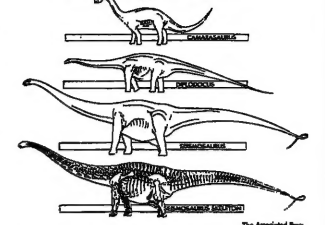
Felix and Elizabeth Rohatyn, a New York financier and his wife, will commit financial aid to 30 sixth-grade public school children in the Lower East Side of Manhattan. Their aid will go to pay for extra tutoring programs and eventually for college fees. Mr. Rohatyn, who suggested last year that "vicious parties for charity" were not enough, says taking the class under his wing "seems to do some of the things I believe in, namely to combat the poverty sector and the public sector." Although the amount of the endowment was not specified, similar ones have been between \$250,000 and \$500,000, according to The New York Times.

The recently named postmaster general, Preston Robert Titcher, a New York business executive, will take charge Aug. 15 of an operation that earns \$27 billion a year in revenues, employs 740,000 workers and delivers more than 140 billion pieces of mail a year. Mr. Titcher will be the third postmaster general in three years, and the 67th consecutive of the nation's first postmaster general, Benjamin Franklin.

Richard Wirthlin, President Ronald Reagan's pollster, says the Reagan administration's curbs on a socially activist government with a view to the larger view of history, reports The Washington Post. If the New Deal represented the thesis and the Reagan presidency has represented the antithesis, I think by



Spinosaurus skeleton, one of the largest dinosaurs ever found, lying on the ground.



GIANT AMONG GIANTS — Nine bones from what may have been the largest dinosaur ever found, near Albuquerque, New Mexico, by David Gillette, top, a paleontologist. Extrapolating from the bones, eight from the tail, he estimated the dinosaur was 100 to 120 feet long, 18 feet tall at the shoulder and weighed 80 tons. He calls it *Spinosaurus*, or "spine-lizard."

1988 or 1989 we may be ready for a synthesis," he said.

Proposals of the idea for a national student loan bank have been to eliminate debt burden as a factor in career choices and ease the burden on students in low-paying professions such as teaching. One supporter is Representative Thomas E. Petri, Republican of Wisconsin, co-sponsor with Senator John H. Chafee, Republican of Rhode Island, of an Income-Dependent Education Assistance Act, now before Congress.

Crime Is Called Threat to Guatemala's Democracy

By Stephen Kinzer
New York Times Service

GUATEMALA — Violent crime has sharply increased in Guatemala in recent months, and observers here are warning that the country's fragile, six-month-old democracy is in jeopardy.

People here have been living for years that civilian governments are too weak to guarantee public security, said Leonard Bello Canopio, an opinion columnist in the *Guatemala Times*.

"The outbreak of violence is turning some people against this government already. If something isn't done to restore confidence, the survival of the democratic regime could be in danger."

Mr. Bello said that crime in Guatemala had reached levels unknown since the presidency of General Romeo Lucas Garcia, from 1978 to 1982, when thousands of people were killed.

In the Lucas years, however, many crimes were attributed to government agents, and the rate of crime was high. In 1981 alone, 11,000 civilians were killed.

Today, most of the crimes are believed to be the work of common criminals.

But some Guatemalan leaders, including President Marco Vinicio Cereno, said they suspected that rightists who oppose civilian rule might be behind some criminal violence. They said some crimes, especially murders of well-to-do professionals, had no discernible motive. It is not uncommon for victims to be killed by their own relatives.

"In Guatemala, it has been traditional for the right to use violence to settle disputes," Mr. Cereno said. "It could create a climate in which people support a return to rule by illegal government."

Several political and civil leaders said that at least part of the violence could be attributed to former police officers who lost their jobs after Mr. Cereno took office in January.

Soon after his inauguration Mr. Cereno dissolved the 700-member Technical Investigation Department, some of whose agents had been involved in "robberies, acts of violence, kidnappings and murders," he said.

"There are a lot of people used to committing crimes who are now out of their jobs," a politician said. Interior Minister Juan José Rodil Peraza said another factor was the increasing desperation of many Guatemalans. The country is mired in the most serious economic crisis in memory, and Mr. Rodil said that some citizens "have the results of great social injustices."

Mr. Rodil has started a campaign to restructure the Guatemalan police and provide officers with modern equipment. But some officials have complained privately that his campaign may be having an unintended result.

"Rodil is constantly making statements that the police have no resources and are unable to cope with crime," an official said. "People with criminal tendencies begin to get ideas."

The Guatemalan press, which Mr. Cereno described as "largely controlled by the right," given prominence to reports of violence.

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Rise in U.S. College Cost Described as Moderate

WASHINGTON — Despite substantial tuition increases in recent years, the costs of a college education "have not skyrocketed," according to a new report, and college bills are not much more burdensome than they were a decade ago.

The "conventional wisdom" that college costs have risen too fast is "wrong or at least a good deal more complicated than the popular stories would suggest," said Terry W. Hartle, a resident fellow at the American Enterprise Institute, which issued the report.

"It does not appear that middle-income families face a greater burden paying for college than they did a decade ago," Mr. Hartle said.

He said they may think they do. At some selective institutions they do. But by and large they don't.

According to the report, the average cost of public universities the past academic year, \$4,156, came to 100 percent of the median family income of \$4,156.

Families with 18- and 19-year-olds in college, the same as in 1973-74.

At private universities the average of \$11,100 consumed 28.6 percent of the median family income, Mr. Hartle said, compared with 24.4 percent of family income 12 years earlier.

Mr. Hartle said college prices had risen mainly because of "supply and demand."

Many of those killed or maimed are children, Adult victims frequently leave large families without means of support.

In the town of Ocala in Moravia, local children said they were afraid to go into the countryside since two of their friends detonated mines.

Numbers for civilian victims are not precise. But the U.S. Embassy estimates, based on local press reports, that 11 civilians were killed and 71 wounded by mines in the first four months of this year, compared with 14 dead and 39 wounded in the same period last year.

Despite the almost weekly incidence of civilians being wounded, human rights groups appear to have barely investigated the problem. Both Americas Watch and the Roman Catholic Church's human rights office in Lima have reported, notes, the vast majority of victims who are maimed.

The Salvadoran government has not been little to help victims. It has mounted a propaganda campaign condemning the rebels for using mines, but it has not made an apology for the 300 or more who have been wounded, despite \$333 million in American aid this year.

U.S. officials said they would not begin a small therapy program.

Politics: Lou Grant Meets Moses in Pennsylvania

(Continued from Page 1)

Ed said that Ed Arner is coming in to campaign against me. I said, "I know you've spared a few friends in the past."

Mr. Arner, who, like his friend, Mr. Reagan, is a former liberal Republican, said, "I had been approached by the congressional people, but I wasn't interested, as, indeed, I am not approached by many members of Congress."

Mr. Arner volunteered to do more advertisements for Mr. Clinger.

"I believe," said Mr. Arner, "that I'm playing hardball."

Soon, the substantive views that had sounded from the top of Mount Sinai in "The Ten Commandments" was heard in Pennsylvania: "I am Charlton Heston," began an ad.

"I found Bill Clinger's opponent had asked Ed Arner to oppose him. I know Ed. He's an actor. So am I. He usually plays warm, smart men. But he's not a warm man. He's not a smart man in some of the political cases he supports."

"For example, he's raised money for the American Senate Council to help Communist-backed rebels in El Salvador," he continued, referring to a conservative group.

"Now, I don't know whether Congressman Clinger's opponent supports Ed Arner's views. But a good way to measure a man's character is by the company he keeps."

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MILITARY: Senate Approves Bill

(Continued from Page 1)

"With this budget we are going backward not forward, and we are undercutting the bipartisan achievement of the last five years," Mr. Goldwater said.

Mr. Goldwater heads the Armed Services Committee.

The overall military bill establishes the design and scope of Defense Department programs, but the money for the programs must still be approved in separate appropriations legislation.

Mr. Goldwater and Senator Sam Nunn of Georgia, the ranking Democrat on the Armed Services Committee, have said they will support the cuts needed to lower both the program level for the proposed missile to bring them to the \$292.2-billion level set in the 1987 budget resolution.

Among the major provisions of the bill are approval of 21 MX missiles but a cut of \$700 million in the program level for the proposed mobile intercontinental ballistic missile called Midgetman; full backing for the administration's chemical weapons program; resumption of testing for anti-ship weapons; and approval for one more Trident submarine.

The bill also approves a 4-percent pay raise for military personnel.

In debate Saturday, the Senate, over the objections of the leaders of the Armed Services Committee, approved an amendment requiring

that future contracts for research on the anti-missile program be made in the United States, unless the secretary of defense certified that it could not be done in this country.

The amendment was offered by Senator John Glenn, Democrat of Ohio, who argued that the Reagan administration was using the lure of large contracts with European allies to gain their support for the program. The United States has already contracted for research in England and West Germany.

In earlier votes, Mr. Reagan narrowly avoided two efforts to cut deeper into the \$33.3-billion program level he requested for the space-oriented anti-ship missile. But the bill still allows the program to \$3.95 billion and is expected to be cut more severely in the House.

On a 64-35 vote, the Senate approved a resolution urging the president to resume talks immediately with the Soviet Union on a comprehensive test ban treaty.

The bill also included a non-binding resolution in favor of maintaining voluntary compliance with the second strategic arms treaty, which was never ratified, as long as the Soviet Union continued to abide by the treaty.

Mr. Reagan has announced that the administration will no longer voluntarily comply with the 1979 treaty.

DOONESBURY

ANY OTHER INPUT?

I'M STILL OPPOSED TO SANCTIONS, BUT I'D LIKE TO HEAR YOURS.

AS I SAID BEFORE, I JUST DON'T THINK THE BOMBING OF AMERICA IS WORTH IT. I'D LIKE TO HEAR YOURS.

THESE DANKY SANCTIONS AREN'T WORKING.

THESE DANKY SANCTIONS AREN'T WORKING.

Herald Tribune

Published With The New York Times and The Washington Post

Why Kill Nicaraguans?

President Reagan urges the Republican Senate to give him \$100 million in aid for the "contra" rebels in Nicaragua and he is likely to prevail. The big test, after all, was in the Democratic House of Representatives, where he won in June after a speech in which he promised that the contra would clean up their act and that U.S. diplomacy would seek "real democracy."

Yet many Americans remain passionately opposed to the contra war, and rightly so, for President Reagan's promises remain unfulfilled. Congress may vote dollars for the contra, but the country has not relented to their cause. It cannot sensibly do so in the face of a policy with such incoherent intent and such bloody effect.

Despite Mr. Reagan's popularity, the conservative mood and palpable provocations from Managua, the contra war has not caught on. Polls continue to show that a majority of Americans disapprove of the rebels, and doubt their administration's warnings of a real tide sweeping up to the front porches of Managua.

Why the opposition to a Reaganist war is so strong is a question that the president is caught up in a web of contradictions. His purpose, unstated, is nonetheless evident: to win the war by a Marxist regime. Unwilling and unable to do what is necessary to achieve that goal, he refuses to pursue the alternative course, containing the Sandinistas within Nicaragua.

Mr. Reagan's best argument is supplied by the Sandinistas. Since seizing power in 1979 they have indeed betrayed the Marxist promises. They have put out elections, stifled the press, harassed opponents and made common cause with their guerrillas.

El Salvador. After the House voted aid for the contra, the Sandinistas banished a Catholic bishop and suspended the only Catholic newspaper, La Prensa.

These are sins against democracy, but which of them justifies waging war? If tyranny and abuse of human rights are in themselves a cause belli, the United States would be at war with the Soviet Union, the People's Republic of China, and a host of other nations.

There is a national security war warrant as a last resort. There are, short of that, a dozen ways for the United States to make its influence felt for democratic purposes.

Europe Has Economic Lessons for America

By David P. Calleo

PORTOFERRAIO, Italy — One advantage of a professor's long summer is the chance to read and reflect on books that everyone has been talking about. One of the most startling to come along in some time is David Stockman's "The Triumph of Politics," his polemic account of the "Reagan revolution." Few recent memoirs depict so vividly the incompetence of people in high places, or define so brutally expectations of national government.

That Mr. Stockman should be disliked for the book is hardly surprising. A colleague and not only an older man, but a younger one, revealing the failures of his benefactor in a book that is both a polemic and a polemic, is a sure way to make enemies.

Yet his conclusion about the essential futility of Reagan fiscal policy is difficult to fault. Economists can quibble about the breakdown of past federal deficits, but it is hard to see how the present scale of deficits can be sustained.

Mr. Stockman's "Reagan revolution" was supposed to mean the reduction of the federal budget, the cutting of the deficit, and the reduction of the federal deficit. It was supposed to mean the reduction of the federal deficit, the cutting of the deficit, and the reduction of the federal deficit.

Moreover, while the Reaganites have been busy cutting the federal budget, they have been busy cutting the federal budget, they have been busy cutting the federal budget, they have been busy cutting the federal budget.

To create today's fiscal climate of colossal waste and unproductive indebtedness is to endow the American political economy with an almost insurmountable handicap.

The real choice is between postwar welfare capitalism and world power. The failure to find a realistic formula to reconcile the two is destroying American finances and gravely undermining the international framework of liberal capitalism.

faces a structural fiscal deficit on the scale of the American one. Instead the taxpaying classes sequence in a substantially higher level of taxation.

Compensatively speaking, their systems offer much more to the taxpayer in the form of higher and graduated pensions, largely free medical care and university education.

It is argued that Paris and Rome are hopelessly gone on the road to socialism. France and Germany are in little danger of disappearing in either country. Considering America's fiscal disaster, it should be not out of the question that the forces they actually put up are not

A Rebuke To Reagan On Testing

By Tom Wicker

NEW YORK — The House of Representatives last handed President Reagan a stiff and long overdue rebuke — one that may result in a congressional limit on nuclear tests he has been conducting at will for space or hidden reasons, in defiance of world opinion.

By a surprising margin, the House voted on Friday, by 234 to 193, to withhold funds for nuclear tests above the yield of one kiloton, for one year beginning Jan. 1, 1987, provided that the Soviet Union agrees to permit on-site monitoring of its nuclear tests.

The Republican-controlled Senate is unlikely to match the House vote. The Department of Defense authorization bill. But the Senate did approve, by a 51-47 vote, the House vote on Friday, by 234 to 193, to withhold funds for nuclear tests above the yield of one kiloton, for one year beginning Jan. 1, 1987, provided that the Soviet Union agrees to permit on-site monitoring of its nuclear tests.

The extraordinary margin of the House vote will give that body much of the credit for the rebuke. The House vote will give that body much of the credit for the rebuke. The House vote will give that body much of the credit for the rebuke.

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In the End, a Tax Rise

Both President Reagan and Congress want to get through the next two months without triggering the Gramm-Rudman-Hollings Act and its built-in cuts in the budget. The midyear review published last week by the two budget offices, the president's and Congress's, suggest that they will probably succeed. But whether the deficit will actually come down, as the figures forecast, is quite a separate question.

The Congressional Budget Office says that next year's deficit is still over the trigger point, but that it is not as large as the amount. (The Gramm-Rudman-Hollings Act has its own rules for estimating the deficit, and they produce smaller figures than the Congressional Budget Office's.)

On Aug. 20 the two budget offices must give Congress a joint estimate of next year's budget deficit, on the basis of present legislation and the current outlook for the economy. This estimate is to be a simple average of their separate forecasts. The Gramm-Rudman-Hollings target for next year's deficit is \$144 billion, but the law allows a

latitude of \$10 billion, so \$154 billion is the number under which the deficit estimate must fall to avoid further spending cuts.

If it should be higher, Congress would be required to vote in September on a package of cuts determined by a fixed formula to bring the budget into compliance. In the end, an election campaign, that is not a cherry prospect for many people in Congress or in the White House.

In addition to a heavy application of positive thinking, the estimates by the Congressional Budget Office and the White House are not as large as the amount. (The Gramm-Rudman-Hollings Act has its own rules for estimating the deficit, and they produce smaller figures than the Congressional Budget Office's.)

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Questions to Debaters About South Africa Sanctions

By William Raspberry

WASHINGTON — Two crucial questions are all but lost in the fierce American debate over the political future of South Africa: What sort of economic system must be served by the international community? And the United States policy and action seems most likely to produce that sort of system?

There is no doubt that the debate is in the hands of the minds of those engaged in the debate. But they are rarely if ever articulated. One side is so single-minded in its pursuit of a morally perfect solution that it is willing to overlook the economic question. The other is so obsessed with saving South Africa's Western-style economy that it is willing to blink at its political and human rights abuses.

It can appear that there is, on both sides, an almost deliberate refusal to think through long-term implications of policy and action. For instance, many who favor divestment, divestiture and other economic sanctions seem to care more about punishing white South Africans than about helping blacks.

Some who favor sanctions no doubt believe that the threat to South Africa's economy will force it to make real progress on the preconditions to negotiations, that would lay apartheid finally to rest.

My own view begins with a prejudice: that while the political system must be changed, no economic system works very well unless it provides the opportunity for people to make money.

Thus, my preference would be for a policy that served to end apartheid while preserving (and integrating) the free enterprise system. A policy calculated to bring on the revolution would not necessarily guarantee the success of the revolution; and even if the revolution were successful, it would almost certainly bring on some form of socialism that might leave everyone worse off.

On the other hand, many of those (including President Reagan) who oppose sanctions seem to put a low priority on ending apartheid in favor of racial justice. They do not necessarily oppose the economic system, they simply count it as a less pressing issue. They may voice concern for blacks, but their actions are calculated to ease the pressure on whites.

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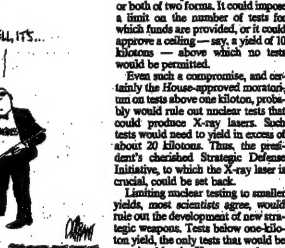


Illustration by [Name]

The Artificial Heart

He was the youngest of the five men who had received permanent artificial hearts, and he survived the longest. And if his own heart was damaged and just about useless, that was never reflected in his warm and vital personality. William Schroeder, who died on Wednesday of complications, is remembered not only for the part he played in medical history but for the contagious delight with which he greeted the early success of the procedure. Americans will recall his description of his new heart as beating away "like an old-time threshing machine." He flashed victory signs and talked about going home to Jasper, Indiana, to attend his son's wedding. He even used the once-in-a-lifetime opportunity of a call from the White House to ask the president to untangle a problem he was having with Social Security. It was that spirit and confidence that earned him admiration and gave the public reason to hope that the Jarvik heart would work.

A series of strokes, which began only weeks after his November 1984 operation, diminished that hope. So did the fate of the other implant recipients. Barney Clark, the first, lived 112 days but never left the hospital. Jack Burchard suffered massive bleeding and died only 10 days after his operation.

Murray Haydon lived more than a year but was seldom off a respirator. And Left Stenberg, who received his artificial heart in 1982, lived for 18 months. His health and lived only seven months.

Have these experiences with the artificial heart been a net gain or a net loss? The five men have been through the answers vary. Barney Clark said of his participation in the experiment, "All in all, it's been a pleasure to be able to help people. I'm William Schroeder's family, which had watched him deteriorate so badly, urged that '... not be considered the end of the artificial heart but rather the continuation of the beginning.'"

All the patients were close to death before their operations, and all were, at the time, too old to qualify for transplants. Dr. Robert Jarvik, who invented the artificial heart, will never give a permanent substitute for a human transplant, a goal that has been leached out of the machine in these five cases, and it is now being used successfully by patients awaiting transplants. William Schroeder, like the four who shared his fate, made a contribution to the continuing battle against heart disease, and he was the respect of millions of his countrymen in the process.

—THE WASHINGTON POST.

Palestinians Living in Arab Countries Need Help

By Abdulsalam Y. Massaruch

WASHINGTON — When people think about the difficulties that Palestinians face, they usually concentrate on the problem of the Jewish state of Israel. But that is only part of the story. Palestinian refugees living in Arab countries also face a host of problems.

For these Palestinians, the burning issues today are how to obtain a visa or work permit, and how to support their families. They are often treated as second-class citizens in the host countries.

Homeless Palestinians in Arab countries have been singled out in the last few months. The pretext is often security, but the real reason is their status as refugees.

Some Arab countries, such as Jordan, have been especially harsh in their treatment of Palestinians. Others, such as Egypt and Lebanon, have been more lenient.

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OPINION

When Your Soul Needs a Boost, Reread This Sportswriter

By George F. Will

WASHINGTON — Newspapers drop by our homes every day, generally at breakfast, when something other than a velvety voice is jarring. Newspapers are, however, by their nature, brusque and businesslike, and given the nature of the world they report, bristling to our spirits. But they should not be severely free of ornaments that improve the scenery of life. One such was Red Smith, the subject of a biography by Ian Berkow.

What are we missing, we who miss that sports columnist whenever we open a newspaper? This, for example. Society Kid Hogan was hurrying through the Illinois Central pedestrian tunnel under Michigan Avenue on June 9, 1930, when a man in the crowd put a gun to the head of Jack Lingle, a gruffing crime reporter, and it went boom.

The kid kept right on walking. "Why?" the law asked him. "The last train was leaving for the rock," he said reasonably. "Did you see the killer?" "Sure." "Could you identify him?" The kid drew a hand across his face as his fleshy neck.

"Only up to here," he said. "I could have been written by Damon Runyon, or by Mark Twain. It could only have been written by an American, marinated in America's distinctive broad-brush drollery. Smith had Americanisms where he worked, as when he asked Pepper Martin how he learned to run so well. "Well, sir, I grew up in Oklahoma and once you start running out there, there ain't nothing to stop you."

When he asked Barry Thorne, a roughneck pitcher, if he ever deliberately threw at a batter's head, Wynn mentioned a 230 hitter who cut open Wynn's chin with a line drive. "The pitcher's mound is my office and I don't like my office messed up with a lot of blood."

Listen to such talk long enough and the dry tang will seep into your style as it did into Smith's. He explained that Paul Warner's eyesight was so bad when he was hitting about 350 for the Braves, he could not read from the bench the advertisements on the outfield fences. Smith said Warner gave the matter

no thought, "for in his philosophy there was target, not literature. On a throne at the center of a sense of humor sits a capacity for irony. All will rest on a cheerful awareness of life's incongruities. It is a gentling awareness, and no politician without it should be allowed near power. Smith had it but was interested in laughter, not power. He was an American P.G. Wodehouse. Wodehouse, like Smith, was a soufflé chef of light literature. His prose was flawless and he had an almost pristine absence of solemnity in the employment of it.

Smith, unlike Wodehouse, was capable of seriousness, even anger. But not for long. Berkow's book is a study of craftsmanship, always a commodity in short supply. A biography of a writer succeeds if it sends readers scurrying off to the writer's books. Even people utterly uninterested in sports should sample Smith.

Do you care about rodeos? Neither do I. But I believe that any good use of the English language is good for the soul, and that this opening sentence of a Smith col-

ume should be put in front of all reading writers.

C.E. Fiske Toole, born in Redfield, South Dakota, 59 years ago but dropped up on a homestead outside Glendale, Montana, was having a very bad time with the showy paleontologist from his town, but he wrote a grin that lit up the corner of Oklahoma City's Fairgrounds Arena.

Smith, says Berkow, suited America's mood in the late 1940s, when the nation wanted to catch up on missed fun. Smith's syndicated column prospered then. Smith, says Berkow, wrote the way Smith said. Pete Rose plays baseball, with an almost lascivious enthusiasm.

"Bill Alexander," coach at Georgia Tech, "was a pallid gentleman and an intractable fighter for the football player's indelible right to sign checks with an X. If a good defensive tackle wished to carry a

book when he strolled the campus, Bill not only offered various objections, although he disliked ostentation. He was, however, unalterably opposed to eysmen."

The columns about Society Kid Hogan and C.E. Fiske Toole were abridgments and were included in a book ("To Absent Friends") composed entirely of farwells. Melancholy readings? Hardly.

In Smith's books you will constantly bump into sentences that begin like this: "Three winters ago when porphy, like a worm in the bud, was making inroads into college football."

I never met Smith, who died in 1982, but I imagine he laughed in 1982 when he wrote that sentence about porphy, just as I laughed when I read it 24 years later. To live on, as Smith does, in transmitted laughter is a tolerable approximation of immortality.

Washington Post Writers Group

The Answering Machine Endangers Civilization

By Thomas Simmons

PALO ALTO, California — In a remote corner of the mind, the possibility of distinguishing ladies from gentlemen ought now to come off of the closet and identify the latest guerrilla action against socially acceptable behavior.

The enemy this time is the phone answering machine. Recent statistics suggest that at least 10 percent of all American households own one of these devices, so the trend may well be irreversible. But as a consequence in the face of barbarism has never been the hero's way out. Like all modern conveniences, the phone answering machine binds itself as a great asset. It records all incoming calls and allows you to leave your own message for the caller. In doing so it creates the very image of good manners. What could be more polite or thoughtful?

The phone answering machine stands out, moreover, precisely because of this unusual good breeding. It is a rare machine that can make one's life seem more meaningful. Try for the same effect with your electric can-opener or Water Pik and you will see what I mean. But this evidence of good breeding is precisely why the answering machine is such a danger to society. The machine is not merely polite, but merely clinical, obsessive, compulsive. In keeping track of all social transactions coming over the wire, it eliminates a crucial element of good manners — the white lie.

If, say, your previous stockbroker calls — the one who urged you to invest in Oklahoma office buildings in 1980 — and you don't have an answering machine, you have no problem. You can tell him that something is buzzing on the stove, or that your two-year-old is going through the cabinet under the sink, or that you are running to the airport to catch a plane. You thereby avoid an ugly scene, and if you are late, the broker will calm down over time and find another client.

The situation is similar even if the caller is your maiden aunt in St. Louis, Missouri, or your friendly magazine salesperson in Omaha.

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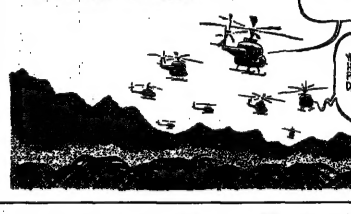
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APOTHECARY NOW

THE BOLMAN DRUG INVASION



LETTERS TO THE EDITOR

Apartheid Must End

The voice of blacks in the Caribbean joins that of whites who are world over who seek a peaceful political settlement between whites and blacks in South Africa — a settlement that one hopes will enable the two communities to work together in a new society for the good of all southern Africa and the world.

The experience of black slavery in America that has been the result of a long and painful process of dehumanization, and the need to improve living conditions for deprived populations exists around the world, but apartheid exists only in South Africa.

ROMAIN BELLAY, Rivière Pilote, Martinique.

Oil Funds Defended

Regarding the opinion column "Oil Funds: Humbling the Pump" (July 19) by Robert Rowen: Mr. Rowen insists that because Professor Cloyd Kanovsky was correct in his prediction of the pre-

sent price of oil, the rest of us do not know what we are doing. Predicting the oil price is like predicting a prizefight. Everybody who knows anything about boxing knows that the odds are against the underdog. Frank Bruno in the "heavyweight championship" and he did. Still, Bruno could have won, and in retrospect there would have been excellent reasons for him doing so.

The price of oil should be about \$22 dollars a barrel. The reason it is less is due to events after the Iranian revolution, and the greed of members of the Organization of Petroleum Exporting Countries.

Mr. Kanovsky, via Mr. Rowen, says oil prices will not rise in the 1990s, even though a price rise is the consensus forecast to most students of the oil market. The reason Professor Kanovsky gives is that Iraq and Iran "have huge supplies and both are anxious to find a market."

But if they are hungry for revenue, they will keep these supplies in the ground and let the price rise. Professor Kanovsky's prediction that by November 1985 this was the way to work things, they are aware now. Specifically, they know that selling increasing amounts of oil and raising oil revenues are not the same thing.

Mr. Kanovsky has apparently said that cheap oil reduced "energy" to buy Russian gas. As much gas is flowing through the Siberian-West European pipeline now as a year ago, but the price is lower because the gas is indexed to oil.

FERDINAND E. BANKS, Uppsala, Sweden.

Nationalism on Wheels

As an American in Paris, I understand the pride Americans feel in cyclist Greg Lemond, who won the Tour de France. But the editor of "Dynamite" with Patrick (July 30) was tactless. An extraordinary achievement should not be debased by comparison to a soap opera.

And the globe at Franco's "pennant" for Bernard Hinault is odd. Americans, of all people, know that the United States pulls for its own.

GILLIANE A. COURTINES, Paris.

In Japan, Memories of War and a Weariness With Apologies

By Clyde Haberman

NEW YORK TIMES SERVICE TOKYO — As always in this season, Japan is consumed with memories of its suffering at the end of World War II.

Wednesday was the 41st anniversary of Hiroshima's atomic bombing. Saturday brought remembrances of the bombing of Nagasaki. On Friday, Japanese went to recall the day in 1945 when Emperor Hirohito told them to "embrace the unendurable" by surrendering.

Little — virtually nothing, in fact — is said on these occasions about how much suffering was inflicted by Japan, especially on Asian

neighbors. But Asia does not easily forget, and recent events underline how shadows of the war continue to influence this country.

This summer has brought new flare-ups of old disputes over Japan's sensibilities, including what it teaches its youth about the war. A government-authorized history textbook played down Japanese atrocities such as the murder of about 40,000 Chinese civilians in Nanjing in 1937. Until the Education Ministry ordered revisions, the manuscript had referred primarily to the massacre as the "so-called Nanjing incident" and made no mention of casualty figures.

For its part, the ministry said only after the Chinese denounced the book as an attempt by some Japanese to "distort their dishonest history."

A fresh controversy swirls over whether Prime Minister Yasuhiro Nakasone will repeat his diplomatic gaffe of Aug. 15, 1985, when he made an official visit to Yasukuni Shrine, the country's main shrine for its war dead, in central Tokyo.

In power since January, Yasuaki was the home of state Shintoism and a powerful symbol of militarism. A visit to Yasukuni is equated in some circles with a desire to send

Japanese troops on the march again. While the link is tenuous, it is still enough to set off alarms in Beijing's attacks last year were so strong that they unsettled Mr. Nakasone. It seems likely that to avoid the risk of giving further offense the prime minister will forgo a trip to the shrine this week.

In dealing with Asia, Japan often succumbs to what at first appears to be a war-induced guilty complex. It spends considerable energy trying to convince wary neighbors that it means no harm, either with its gradual but steady military buildup or with its reluctant exports.

This policy, however, serves a purpose. Japan's goal as a prosperous trading nation is to stay on good terms with everyone; it is obviously bad business to make the customers distrustful.

Compared with West Germany, the Japanese indulge in fewer self-criticisms on their wartime responsibilities. Rather, the imperative here is to pick oneself up quickly after a disaster and to resume life without unproductive dwelling on the past.

"Japanase so easily forget about their past," said Kiyoko Takada, a professor of social and intellectual history at International Christian University in Tokyo.

As early as 1957, Japan felt sufficiently comfortable to choose a convicted war criminal, Nobusuke Kishi, as prime minister.

There were protests from the political opposition, but they lacked the sting of the recent furor in Austria over the presidential candidacy of Kurt Waldheim, who, whatever the truth about his World War II record in the German Army, was convicted of nothing.

Many Japanese, perhaps most, assume no blame for their country's expansion across Asia in the 1930s. It certainly was no worse, they say, than decades of European and American colonialism.

A similar concern exists at Japan these days as it registers continued victories in trade and high finance. Too much success may invite retaliation, and that worry is one reason why Mr. Nakasone now calls for more Japanese imports and fewer exports.

"Unless we change," said Naohiro Amaya, a government economic adviser, "we will get a storm from outside."

Still, some Japanese despair of knee-jerk reactions to outsiders' complaints. They suspect these attacks are occasionally disingenuous. The South Koreans, for instance, have attacked the Japanese textbook far less forcefully than they did in a similar dispute in 1982, when, coincidentally or not, they were angling for a big aid package from Japan.

Trade Issues Put Seoul's Ambassador on New Path

By Stuart Auerbach

WASHINGTON — Ambassadors in Washington traditionally have moved on a well-trod path taking them to the State Department, the Pentagon and, if they are lucky, the White House. Their calls on Capitol Hill have been restricted mainly to influential members of committees dealing with foreign policy and military affairs.

But with Congress pressing for action on trade, all that is changing, and ambassadors increasingly are blazing new paths to explain their countries' positions to a different set of lawmakers.

So one day last week, the Seoul's ambassador, Kim Kyung Won, went to Sen. Max Baucus, Democratic Montana to explain South Korea's trade policies.

Mr. Baucus, a member of the Senate Finance Committee, is focusing on trade issues. Mr. Baucus and Mr. Kim agreed to allow several reporters to attend their discussion.

South Korea sells an increasing number of its products, such as textiles, automobiles and computers, in the United States. But it faces growing pressure from American lawmakers to end the protectionist practices that keep its markets closed to foreign goods.

Mr. Kim had to tell Mr. Baucus, South Korea had just settled a number of trade issues with the Reagan administration

by agreeing to allow American insurance companies to sell policies there; opening its market to American cigarettes, but taxing them at a rate that makes them more than twice as costly as domestic cigarettes; and promising to protect U.S. copyrights and patents from piracy.

"We continue to liberalize our domestic markets for foreign products," said Mr. Kim. "We are moving very fast as we can."

But Mr. Baucus brought up South Korea's continued restrictions on the sale of American personal computers. U.S. trade specialists see the restrictions as a sign that Seoul is inhibiting Tokyo in protecting infant industries.

Mr. Kim replied that the market for personal computers would be opened next year. "I know of no other country in a comparable stage of economic development that is as open as ours," Mr. Kim asserted.

Mr. Baucus agreed. "I think you are making progress," he said. "I think that is not lost on members of Congress."

But the senator raised an issue that has been worrying some companies in the American semiconductor industry, which won agreement July 30 from Japan to stop dumping chips in the United States at below market prices. The domestic chip makers, along with their Japanese rivals, are concerned that South Korea will try to move into

the American market by selling chips at cut-rate prices.

Mr. Kim told Mr. Baucus that the South Korean government opposes dumping. It's "a very stupid thing," he said.

Then Mr. Kim launched into his main pitch about South Korea's economy. He pointed out that, despite its rapid strides toward industrialization, South Korea remains a developing country, with an annual income of about \$2,000 a person.

South Korea carries a large foreign debt, he said, and until last year could default both its merchandise trade and in its current account, which includes trade in services and financial transactions.

Although it appears the surplus will continue this year, Mr. Kim questioned whether they could be sustained. "We need surpluses to service our debt," he said.

Mr. Kim said his country was "fully aware" of the political pressure in the United States generated by four years of record trade deficits that appear to be climbing to new heights this year.

"We have to run our own political pressure," he told Mr. Baucus.

He pointed out that small tobacco farmers in South Korea would be forced out of business by the decision to let American companies sell there. "But we can't let our trade policies be dominated by one small sector," he said.

SOVIET FREEDOM

NEW YORK — President of Soviet Union, Mikhail Gorbachev, has announced that he will visit the United States in September. This is the first time a Soviet leader has visited the United States since Nikita Khrushchev's visit in 1959. Gorbachev's visit is seen as a major step towards improving relations between the two superpowers. He will meet with President Ronald Reagan and other top officials. The visit is expected to last about two weeks.

MONDAY, AUGUST 11, 1986

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EUROBONDS

Market Reacts Neutrally To Treasury Refinancing

LONDON — The Eurobond market took a neutral view last week of the results of the \$28-billion refinancing of the U.S. Treasury. The 10- and 30-year Treasury bond auctions went reasonably well, but hopes that Japanese investors would be enthusiastic buyers proved unfounded. Between Monday and midday Friday, the new long bond, traded on a when-issued basis, had fallen 4 1/2 points.

But there was a feeling that things could only get better. Most investors were waiting for a sign that the market was about to move. Eurobond houses had taken the opportunity of the most recent cut in the discount rate by the U.S. Federal Reserve Bank, on July 10, to run their positions short and wait for a sign that investor confidence in dollar-denominated securities might return.

In the expectation that U.S. economic data issued this week will reaffirm the economy's sluggishness and make for a more bullish interest outlook, buyers returned to the New York market in force Friday, and there was a 2-point rally in Treasury bond prices in the morning. Retail sales figures for July are to be released Wednesday, and producer price indices on Friday.

At the same time, some of the tightest of tightly priced new fixed-rate Eurobond offerings last week began to trade at more respectable levels after being discounted by a lidless market.

Chicago's \$200-million issue of seven-year, 8 1/4-percent bonds nevertheless closed the week trading at a discount of 2 1/4 points, well outside the probable level for underwriters. Although the issue had been bought at a tender offering of \$200 million, it yielded 11 1/2 basis points more than equivalent U.S. Treasury bonds, the lack of parity value in the name made it appear to lack value.

With attention focused for most of the week on shorter maturities, New Zealand's \$300-million of three-year, 7 1/4-percent bonds fared better, closing the week at a discount of 1 1/4 points. The issue had been bought at a tender offering of \$300 million, it yielded 11 1/2 basis points more than equivalent U.S. Treasury bonds, the lack of parity value in the name made it appear to lack value.

UT there was little doubt which new Eurobond provoked the most debate: Denmark's \$1 billion of 10-year floating rate notes launched Wednesday with Morgan Guaranty Ltd. as lead manager. The notes carry a coupon to be fixed 9 1/2 percent below the London interbank bid rate for Eurodollar deposits, giving Denmark the finest terms seen so far in the FRN market. Most syndicate managers agreed, however, that it should have paid 1/16 more on the margin to have been well received.

There is a feeling that the strong demand for FRNs evident in recent weeks has been milked just a bit too much. A long list of Eurobond houses turned down offers to underwrite the Danish offering, which was trading at 99.50 bid in the secondary market. Syndicate managers were not helped by the fact that the 22 1/2 basis points in fees to be paid by the issuer, 6 1/2 basis points was to be added on as a surcharge for the lead manager and the consortium of Danish banks that regularly accompanies the Kingdom's Eurobond issues.

The lead manager might claim that the terms for Denmark's FRNs anticipate a further tightening of spreads in the sector. Both New Zealand and Belgium recently launched FRNs that traded at levels that yield mid-level returns, although these returns yield about 6 basis points more to the market than Denmark. The terms available to sovereign floating-rate borrowers currently are so favorable that there were rumors last week that France might be tempted to launch FRNs for the first time in its own name. Last week, a U.S. corporate name is said to be planning to issue an FRN soon with the guarantee of a Japanese bank. So far, corporate FRNs have been rare and generally unsuccessful.

A \$150-million issue of 99-year FRNs for Canada's Royal Trustco launched Friday with Nomura International as lead manager was favorably received. The trust company, which is rated double-A minus domestically, has been expanding its international banking operations. As with other recent long-dated issues for Canadian banks, the coupon payment is linked to the bank's share dividend payments. But this time the issuer has provided a "dividend coupon protection" clause under which it will issue shares within 180 days to pay investors for any missed interest that results from a dividend cut.

That, and an attractive yield on the notes of 15 basis points

See EURO BONDS, Page 9

Eurobond Yields	
For Week Ended Aug. 8	
U.S. 10-year, 10 1/2% bid	8.51
U.S. 30-year, 11 1/2% bid	8.84
U.S. 5-year, 8 1/4% bid	8.42
U.S. 3-year, 8 1/4% bid	8.34
French 10-year, 10 1/2% bid	8.51
French 30-year, 11 1/2% bid	8.84
French 5-year, 8 1/4% bid	8.42
French 3-year, 8 1/4% bid	8.34
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ECU 3-year, 8 1/4% bid	8.34

Market Turnover

For Week Ended Aug. 8	
Market	Turnover
U.S. 10-year	\$1,190,122,500
U.S. 30-year	\$1,190,122,500
U.S. 5-year	\$1,190,122,500
U.S. 3-year	\$1,190,122,500

From Rubik, a Puzzle With a New Twist

A Flat Industry Pins Its Hopes on Cube's Successor

By Martin Gordic

New York Times Service

NEW YORK — There might

be someone, somewhere who is

still agonizing over Rubik's Cube.

But for the most part that frustrat-

ing artifact of the early 1980s

has been retired to the attic, the

garage heap, and with a bow to

its elegance and ingenuity, to the

permanent collection of the

Museum of Modern Art.

But Erno Rubik, the soft-spoken

Hungarian architecture professor

whose name is on the cube, is not

one to fade from sight.

He is about to mark his return

with a puzzle that, if anything, is

more difficult to solve than the

once ubiquitous cube, which during

a three-year run generated

sales that have been estimated at

10 million units worldwide. "Knock-

out," and at least 10 million

others explaining how it could be

solved.

The enterprise also netted mil-

lions of dollars for the Hungarian

economy and its entrepreneurial

son, Mr. Rubik.

The cube caught 26 smaller

cubes in the bright colors that

rotated on horizontal and verti-

cal axes. The trick, as thousands

of purchasers remember with de-

spair, was to unscrew the smaller

cubes so that they gave the

larger cube six walls of solid

color.

Mathematicians figured that the

cube could be arranged in 43

quadrillion positions, or, precisely,

43,252,003,274,489,856,000.

Because of the cube, Professor

Rubik has become one of the

richest and most celebrated men

in Hungary, where there is no

entrepreneurship as emerged as a



Erno Rubik with his latest puzzle during a visit to New York.

key component of the East bloc's most liberalized economy. In a recent interview in New York, he said his new puzzle, called Rubik's Magic, may have even more appeal than the cube.

The enterprise also netted millions of dollars for the Hungarian economy and its entrepreneurial son, Mr. Rubik.

The cube caught 26 smaller cubes in the bright colors that rotated on horizontal and vertical axes. The trick, as thousands of purchasers remember with despair, was to unscrew the smaller cubes so that they gave the larger cube six walls of solid color.

Mathematicians figured that the cube could be arranged in 43 quadrillion positions, or, precisely, 43,252,003,274,489,856,000.

Because of the cube, Professor Rubik has become one of the richest and most celebrated men in Hungary, where there is no entrepreneurship as emerged as a

Mercedes. And he and his family are about to move into a large house with a basement swimming pool that he is renovating in Budapest's Magic, may have even more appeal than the cube.

His fame is increasing along with his fortune. He will soon appear in commercials worldwide for his new invention. And he is writing a book on his philosophies, which does not surprise his friends. One of them described him as having "a high opinion of himself."

There is a fair amount of speculation about Professor Rubik and his Magic within the toy industry, which is experiencing that sales this year as the popularity of several of its recent best sellers, such as Cabbage Patch dolls, wanes. "We hope we can create a craze," said David C.W. York, chairman of Universal Matchbox Corp., Matchbox International's parent company.

Matchbox, which is best known for manufacturing a ven-

erable line of finely crafted miniature cars and trucks, has already taken on 2,000 production workers in China to make the puzzle. It plans to market hundreds of thousands of copies around the world this fall, for about \$10, similar to the price of the cube.

Professor Rubik, who chain smokes and speaks English in a slow deliberate manner, will once more straddle East and West. Earlier this month, he was a guest of Edward I. Koch, the mayor of New York. At airports, customs agents ask for autographs.

When he devised the cube a decade ago as a tool for teaching algebraic group theory to a class at the Budapest Academy of Applied Arts, he was earning less than \$200 a month as an architect and design professor.

Professor Rubik took his idea to Kolesnikov, the state ideologist, who said that the cube could lead to a new era of peace and cooperation between the East and the West.

The official estimate that the cube market transaction in Rio de Janeiro was \$10 million a day. He said the government was also studying the possibility of easing import restrictions, mainly on electronic and computer components, that help fuel black market speculation.

"Many companies, of all sizes, resort to the black market to purchase items that cannot be imported legally," he said. "Brazilians traveling abroad may be allowed to buy more dollars at the official rate to turn them away from the black market, he added."

A central bank official, who also said that the market had been closed for two or three days, said that the government was studying the possibility of easing import restrictions, mainly on electronic and computer components, that help fuel black market speculation.

Black market operators in Rio and São Paulo said they expected the crackdown to last two or three days. A federal police spokesman, Joao Martins, said that several people were detained and later released.

Participants hope that the internationalization of the market, along with the removal of fixed commissions, will bring a significant rise in turnover and enable most primary dealers to survive.

Several of the dealers on the list have been keeping a low profile in their preparations for Big Bang, but those who intend to remain in October are focusing their attention on a dress rehearsal scheduled for Sept. 27, the first of two training sessions.

The rehearsal, which is to be held under the auspices of the stock exchange with the assistance of the Bank of England, will enable market-makers, interdealer brokers and money brokers to form alliances in simulated trading and to test the new systems.

A larger session on Oct. 18 is designed to iron out problems and refine and perfect techniques.

Mr. Nissen said the firms should decide quickly before committing further funds to gearing up for the change.

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U.S. Seeks Help Abroad in Fighting Insider Trade

United Press International

WASHINGTON — Having

cracked a case in insider trading

with the help of Swiss authorities,

the U.S. government is seeking

more cooperation from abroad in

the fight against insider trading.

Securities and Exchange Com-

mission investigators said Friday

that they were negotiating with

a number of countries to request

agreements that would lead to iden-

tifying and penalizing investors who

use foreign markets to hide insider

trading.

"It's a priority issue," said Mi-

chael Pines, head of the SEC's Of-

fice of International Legal Affair-

s. "We are looking for the first time

protection for the SEC to be able

to pursue securities law violators,

regardless of where they trade."

The SEC said on Thursday discov-

ered a case of insider trading that

had been resolved with unprecedented

cooperation from Swiss banking

authorities. The case was settled in

U.S. District Court in New York.

The commission named a former

Lazard Freres & Co. analyst, his

brother and grandfather, and a bro-

ker as the main players in the in-

sider trading scheme that involved

General Electric Co. takeover of RCA

Corp.

The SEC complaint alleged that

the analyst, Marcel Katz, 23, passed

on to his father, Harvey Katz, 54,

a nonpublic information that

would lead to the takeover of RCA

Corp. The SEC said it did not identify

the company.

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stock through a Swiss outlet when the stock was trading at \$49 a share, \$17.50 less than General Electric's offer of \$66.50 per share.

Using a 1982 memorandum of understanding between the United States and Switzerland, Swiss bank officials for the first time provided the name of a suspect — Mr. Mordecai, in this case — as the purchaser of the RCA stock.

The Swiss authorities also froze Mr. Mordecai's bank assets as called for in the agreement.

The SEC is working with other countries to try to prevent insider trading from hiding illegal profits in foreign exchanges, Mr. Mann said. Under commission policy, details of the efforts were not disclosed.

But the rapid expansion of inter-

national trading could lead SEC investigators to many foreign countries in the future, Mr. Mann said. "I would expect the number of foreign cases would grow, just as the domestic cases have grown," he said.

A Wall Street analyst who asked not to be identified remarked, "We haven't seen the end of this, it will be easy to hide your tracks if you put your illegal profits in foreign exchanges. That's what the commission is going after."

Under the settlement, Mr. Mordecai, his son-in-law and grandson agreed to pay \$2.1 million in restitution and \$2.9 million in penalties.

A broker at Milken Co., Fred Allen, 36, allegedly handled trades for Harvey Katz and Mordecai, and bought RCA stock for himself. Mr. Allen agreed to pay \$80,000 in restitution and penalties.

Bank of America International Ltd. withdrew from the arena in March against a backdrop of financial problems encountered by its parent bank, BankAmerica Corp.

But British financial markets were taken by surprise last month by the announcement of Union Discount Co. of London that it had decided to withdraw as a primary dealer and focus its activities on trading interest.

Union Discount retains a 50.1-percent interest in Aitken Capital & Co., a small market-maker. Union Discount said it had decided to withdraw as a primary dealer and focus its activities on trading interest.

Many participants expect the list to be whittled down further by October as other dealers, encouraged by Union Discount's move, reconsider their chances in a sharply competitive market environment.

They noted that U.S. credit ratings, which have a narrower almost 10 times that of British bonds, are serviced by only 35 primary dealers.

The distinction between the roles of market-maker and broker will disappear in October. Trading is to be carried on through a group of 27 primary dealers, all acting in a dual capacity, with the major part of their operations conducted by telephone and screen.

The new system is modeled after the U.S. government bond market. The fixed brokers' commissions on transactions will give way to negotiated fees in the new market.

Some brokers have predicted that commissions on gilt will virtually disappear by the end of the year.

The Bank of England originally announced 29 institutions to operate as primary dealers in the restructured market.

The institutions are to represent many of the traditional dealing and trading partnerships as well as powerful new entrants such as British clearing banks and major American investment banks, including Salomon Brothers Inc. and Merrill Lynch Co.

Since then, market participants repeatedly have voiced doubt that the market will be able to sustain that relatively large number on a long-term basis.

They noted that U.S. credit ratings, which have a narrower almost 10 times that of British bonds, are serviced by only 35 primary dealers.

Italy Relaxes Controls on Moving Capital

Reuters

ROME — Italy has approved

a package of regulatory measures

as part of a gradual move

toward relaxing its controls on

the movement of capital.

The package includes

measures to liberalize

foreign investments, issued

three decades on Saturday, a

day after Prime Minister Ben-

igno Ciriaco's new government

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'Big Bang' Transition Trims Ranks of Gilt Dealers

By Sandy Critchley

LONDON — The restructuring

of Britain's government bond

market is progressing smoothly

because of the "Big Bang" re-

structuring, which has led to

some shakeouts among the poten-

tial dealers in the market.

[illegible]

OTC consolidated trading for week ended Friday.

[illegible]

Aug. 7

[illegible]

69	Shen's Dry Goods	17th St NW	22nd St NW	7 and N	09/15/76	1.37
70	Reynolds Station 14 N	14th St NW	14th St NW	14th St NW	14th St NW	1.37
71	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
72	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
73	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
74	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
75	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
76	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
77	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
78	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
79	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
80	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
81	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
82	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
83	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
84	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
85	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
86	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
87	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
88	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
89	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
90	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
91	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
92	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
93	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
94	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
95	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
96	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
97	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
98	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
99	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37
100	Chen's LPS	14th St NW	14th St NW	14th St NW	14th St NW	1.37

CBS	Canadian Dollar	SDR	Special Drawing Rights
BCU	European Currency Unit	Yen	Yen
EMA	European Unit of Account	LFR	Luxembourg Franc
L	Pound Sterling	SPR	Swiss Franc
DM	Deutsche Mark	FF	French Franc
NMS	Norwegian Kroner - DM		

The Global Newspaper.



OTC Consolidated trading for week ended Friday

[illegible]

Figures as of close of trading Friday

[illegible][illegible]

Figures as of close of trading Friday

[illegible]

(Continued on Page 15)

PERSONAL INVESTING

FOCUS

Does Fund Size Affect Its Results?

BIG MAY not be better, but is it bad? That's a question being asked more frequently now that mutual funds in the United States have swelled to record levels thanks to the prolonged stock market rally and a stream of new money from investors. With the total assets of equity funds approaching \$150 billion, some experts question whether some funds have grown too rapidly to generate superior returns. It is a debate that may never end. A number of funds have halted new investments over the past year, fearing that uncontrolled growth could jeopardize their aimlessness in the marketplace. But the big funds have no shortage of proponents. And they point with pride to Fidelity Investments Co.'s giant Magellan Fund. Its \$6.9-billion size can hardly be considered a handicap, especially since it generated a 30-percent return in the first six months of the year.

A study published last year by Chicago-based Investment Information Services indicated a direct correlation between size and performance. Tracking 70 no-load diversified equity funds from 1979 through 1984, the study found that funds with a median size of \$13 million generated an average annual return of 24.2 percent and that performance fell off with bigger funds. Funds with a median size of \$250 million showed an average return of 9.9 percent a year.

GERALD Peritt, president of the advisory firm and publisher of *The Mutual Fund Letter*, says this is proof enough that big funds can outperform their flexibility. He points out that big funds may have about 1,000 stocks in their portfolio. "In effect they bought the market," he says, "and you can't beat the market if you own it."

Moreover, he argues that their size prevents them from taking advantage of emerging growth stocks that can have a big impact on a small fund's performance because big portfolios can never hope to acquire a significant number of shares without disturbing the price. "I would stay away from funds over \$500 million," Mr. Peritt says.

Supporters of big funds, however, contend that such reasoning overlooks some clear advantages of large portfolios. Big funds, they say, promise more stability over the long term because of their diversification and are more likely to survive periodic downturns in the stock market—a key consideration, now that the rally is showing signs of fatigue.

Large funds also can devote more resources to research and, because of their buying power, usually are the first ones that break out with special situations.

FOR some experts the debate has grown tiresome. "I disagree with both schools of thought," says Michael D. Hirsch, chief investment officer for Republic National Bank in New York and manager of Fund Trust, a fund that invests in other mutual funds.

He argues that fund management and investment style are more important considerations in selecting a fund and that size is only useful when evaluating a fund's investment tactics. "It would be foolish for a \$1-billion fund to concentrate on emerging growth stocks," he acknowledges.

Michael A. Lipper, president of Lipper Analytical Services, which tracks fund performance, also plays down the importance of size. Although the average returns of big funds may not be as staggering as some successful smaller funds, he says that a review of fund performance in the 12 months ended last May 22 shows that larger funds did better on average.

"Most people get confused when they look at the top of the performance chart and see only small funds," Mr. Lipper says. "What they don't look at is the bottom of the chart where they would find even more small funds."

John Meehan

UPDATE

Australian Gambit

IN the quest for higher income, many investors piled into Australian dollar bonds early this year, believing that the yield of 12 to 14 percent insulated them from adverse currency moves. The tactic backfired. The Australian dollar has slid 25 percent against the U.S. currency since January, largely because of fears about the country's growing trade deficit, labor unrest over a trade ban, and the government's decision to raise interest rates to 14 percent.

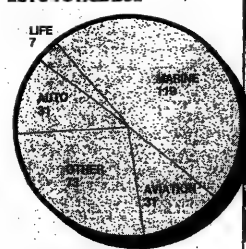
What next? Michael R. Rosenberg of Merrill Lynch Capital Markets counsels investors who incurred losses to sit tight. The Australian dollar has recovered a bit, and, by some estimates, it is undervalued by 30 percent. For investors who do not hold any Australian paper and can stomach the extreme risks, this might be the time to buy, he says. The yield on a 10-year bond is 14 percent, compared with 7.4 percent for U.S. Treasuries. Over a five-year view, the Australian dollar would have to fall to 45 U.S. cents before the difference in return in U.S. dollar terms would disappear, Mr. Rosenberg calculates.

Better on Australian bonds should circle Aug. 19 on their calendars. That is when the government will outline its sustainability budget proposals. Investors will be looking for tough measures to trim the budget deficit and watching the reaction from unions, Mr. Rosenberg says.

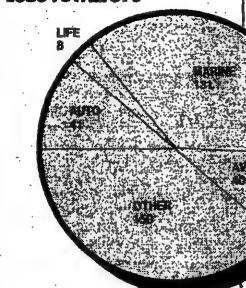
William McBride

How Syndicates Have Multiplied At Lloyd's

1970 TOTAL: 261



1986 TOTAL: 370



Lloyd's vast underwriting room is the centerpiece of its modernistic, steel-and-glass building, designed by Richard Rogers, architect of the Pompidou Center in Paris.

Lloyd's Lures The World's Risk Takers

By Terry Truico

IT IS a fairly select society, currently 28,844 members strong. Though the majority are British, the members come from 63 nations. By definition, each is a risk taker. Some are well known, like tennis pro Virginia Wade, novelist Jeffrey Archer and three members of the rock group Pink Floyd. Others are merely wealthy. All, however, are Names, the underwriters that form the backbone of Lloyd's of London.

For nearly 300 years, Lloyd's members have promised their entire fortunes to meet insurance claims, providing the underlying capital needed to run Lloyd's. And in that time, they have preserved the establishment's unique character, from its humble beginnings in 1688 as Edward Lloyd's coffee house where shipowners arranged insurance for their cargoes and vessels, to its current status as the world's largest market for diversified insurance.

Becoming a Name has always been extremely tempting for investors. Income from insurance premiums is pure profit and the bulk of the cost of membership is covered by pledging assets, such as real estate and even artwork in some cases. Thus, a Name can, in effect, make some investments pay twice. The assets would only be liquidated if the Name needed cash to cover claims. "It's like the jam on the bread and butter," as one underwriting agent puts it.

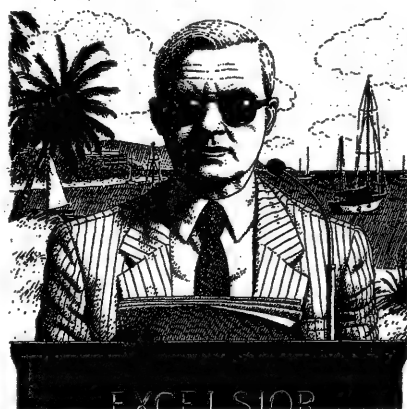
Membership is up 10,000 since 1981, and some experts think that now may be a good time to consider becoming a Name. After several disastrous years, casualty insurance is expected to rally. Some analysts predict the start of the biggest upturn in the insurance industry in 30 years thanks to a shakeout and higher rates.

"It's a cyclical change, but suddenly there's a favorable environment," says Christopher Fountain, an analyst with Wood Mackenzie & Co. "And it could last another two to three years."

In theory, membership in Lloyd's is open to anyone over 21 with at least £100,000 (about \$147,000) in "readily realizable" assets. The amount of assets determines the premium limit—twice the Name's pledged assets—which is the total that can be placed with underwriting syndicates. The limit is the ceiling on income from premiums that a Name can earn. The maximum premium limit currently is £1 million, based on wealth of £500,000.

Up to 40 percent of the assets pledged can be property, aside from a principal residence. The rest should be cash, gold, listed securities, bank guarantees and similarly liquid assets. The entry fee is £5,000, along with a substantial deposit—in Britain, 25 percent of the premium limit, 35 percent for

Continued On Page 12



The Conference Circuit: Gurus, Glitz and Gloom

By Edward Rohrbach

IN THE casino at Loews hotel, high rollers labor until well past midnight contributing to the financial well-being of this principality. Conspicuously absent from the tables, though, are a group of well-heeled investors, most of them American, who have traveled to Monte Carlo to improve their odds in the stock market.

These guests, who are attending one of the dozens of investment seminars held around the world each year, are likely to be more interested in blue chips than poker chips. "Most of them are in the millionaire class—and the rest are folks who seriously want to be," says Howard Brown, president of Ramon Electronics Inc., an exhibitor at many such conferences.

For fees of about \$100 a day (not including hotel, food and travel costs), investment seminars offer their customers the chance to hobnob with an assortment of money managers, newsletter writers, politicians and geopolitical pundits in luxury settings in Europe, the Caribbean and the United States. The meetings can be a good way for investors to learn about important trends and pick up specific recommendations. Yet, like so much in the world of investment, the quality of information imparted can vary greatly, according to veterans of the conference circuit.

Though fears of terrorism held down attendance at some European conferences,

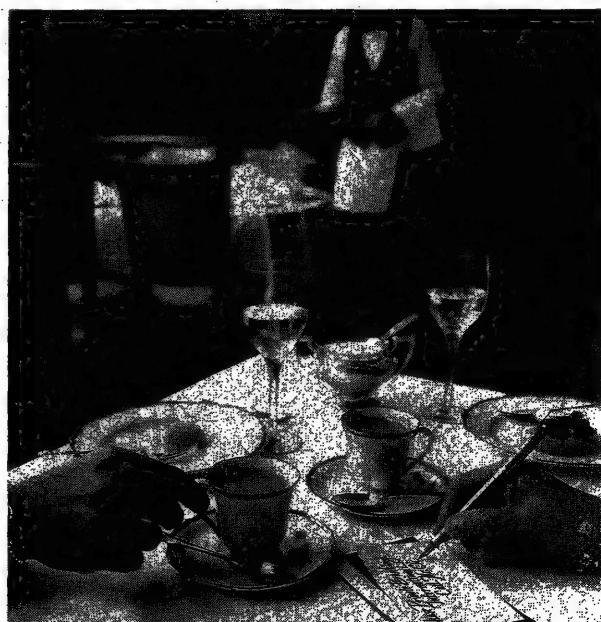
this year, booyant world markets kept the conference crowd coming. "There's a mild bull market in investment conferences," says Charles Githler, the founder of Investment Seminars Inc., a leading organizer of conferences and sponsor of the Monaco conference and an earlier one in Lausanne.

While he estimates that potential attendance is in the millions, as measured by market letter subscriptions and financial page readership, Mr. Githler says that the number of investors who attend conferences on a regular basis totals about 15,000. Investment Seminars will hold about 10 major conferences this year, five outside the United States. The biggest will be in February in Fort Lauderdale, Florida.

From the organizer's point of view, the economics of the conference business seem healthy. Since Investment Seminars started in 1977, its worst year was 1983, when it had a \$20,000 profit. "In a good year, we do six figures," Mr. Githler says. But the conference business does not thrive on attendance fees alone. Other income flows from exhibitors selling distributorships, franchises or various services. Ramon Electronics paid about \$10,000 to sell its "Ran-e-Movie Machine" distributorships at conferences in Lausanne and Monte Carlo.

Popular market advisers with established records can command speaking fees from conference sponsors of \$7,500 and up, plus expenses. Lesser-known personal-

Continued On Page 12



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The International
Herald Tribune

The Conference: Investment Ideas

Continued From Page 11
ities must purchase their spot on the program. "Some speakers are paid to speak, and others pay to speak," notes a frequent speaker who earns substantial fees for his appearances.

Despite the luxury settings, long-time participants say conference-goers are serious investors who are looking for more than sun and some cocktail conversation. "I find the level of attendees at these conferences incredibly qualified," says Mark Hulbert, editor of Hulbert Financial Digest, a widely followed publication that tracks the performance of major market advisory newsletters. "They take copious notes and work hard all day."

KENNETH Buffin, a British-born consultant who has been living in New Jersey for 15 years, says that he seldom plays the tourist. "I usually get so involved in the meetings I don't have time to see anything," he explains, adding wistfully, "There was the opera in Vienna once."

The variety of opinion and the chance of hitting on a novel investment idea lures most people to the conferences. John D. Meschuk, who owns and operates a conference-metal die-casting company in Cypress, California, says he has been attending about two investment conferences a year, one of them overseas, since 1980. At ISI conferences, he says, there are "a lot of speakers with different opinions. They respond to my questions, and then I can sit out my own conclusions."

Apart from getting personal investment ideas, he says, insights provided about the "world-wide geopolitical situation" help in running his business, a subcontractor for Boeing, the big aerospace company.

Hans Peter Banning, a West German investor who lives in Spain, says, "You can find every different opinion" at conferences. "It's just like the marketplace."

But the information flow goes two ways, says Charles Allmon, a highly regarded U.S. market adviser and editor of Growth Stock Outlook newsletter. "I like to talk

to the attendees because often they are self-made business people and you can get a good feeling about what's happening in the national economy."

But his opinion about many of the other speakers he has shared podiums with in the last 25 years is decidedly lower. "Very few of them are actually money managers and many of them have no track record," he declared. "It's like grabbing an act by the ears trying to find out exactly how well they've done in the stock market. This is cheap and so is investment advice."

Donna Bushnell, co-editor of MLBS Stock Advisory and a venture capitalist whose low-key delivery has earned a devoted following at conferences, observes that the speakers generally "have very big egos" and some "live on reputations earned years ago."

Another star of the conference circuit, Al Frank, says that "a lot of people at conferences are there in hopes of finding the golden formula or the one hot tip." Mr. Frank, editor of the *Frontier Speculator*, the top performing U.S. newsletter over five years, says that the audience members should undertake "serious study of the classical texts on investing."

Yet he acknowledges that one solid idea can make a conference pay. "So somebody spends \$500 or \$1,500 attending one," he notes. "If he or she buys 5,000 shares on a good recommendation, and the stock goes up 10 points, they've covered the cost 50 times over."

IN A speech at a recent conference, Mr. Hulbert worried that audiences get "bought up in the charisma of particular speakers." Conference organizers schedule "the biggest drawing cards, not always the best advisers," he argued. He called for more panel discussions, so conflicting views would be debated in front of the audience. "Now the speakers maintain a mutual admiration society even though they present widely different views," he notes.

A main feature of the conference circuit is speakers who rail against heavy-handed government intervention and praise the virtues of unfettered capitalism. One major conference organizer is the National Committee for Monetary Reform, which holds a big conference on gold in New Orleans that usually attracts several thousand "hard money" investors. Its recent seminar in Montecarlo drew about 400 people and at-

Familiar Faces on The Conference Circuit

John Templeton
An elder statesman among global investors and founder of a leading mutual fund and money management firm.

Arnold deBorchgrave
Editor of the *Washington Times* and a commentator on international politics.



tracted many top names. The topic of the closing speech, "The Challenge of the Decade: Government Intervention and Individual Freedom," struck a typical note. Impending disaster is another theme that pervades the conference scene. Henry Schultz, an American-born newsletter writer

Stan Weinstein
Editor of the "Professional Tape Reader" newsletter and considered one of Wall Street's top technical analysts.



Charles Allmon
A former National Geographic magazine photographer who manages \$400 million in addition to editing *Growth Stock Outlook*, the No. 2 ranking market letter over the last five years.



Mark Hulbert
Editor of "Hulbert Financial Digest" monitors the performance of leading advisory letters, enabling investors to separate claims from reality. His work shows that most newsletters fail to outperform the market.



Lloyd's: A Select Society of Risk Takers

Continued From Page 11
those outside Britain. An annual subscription based on the previous year's premium limits is charged after that.

Nonpayment is by an underwriting agent, who acts as a liaison between syndicates and the

Names, and two sponsors who already are members. The choice of an agent is critical, since they handle all of the Name's dealings in the market, including signing Lloyd's P.I.C. a Lloyd's member. Agents also are selective. And if the candidate's holdings just reach £100,000, many agents will suggest trying again later.

"We're not in business to make losses, but a net loss of £10,000 in relation to assets of £100,000 is quite a hole in a participation," says Charles Parnell, a director at R.W. Strang, an underwriting agency, Lord Strathmound, managing director of Bain Dawes, another agency, adds, "Unless you can spread your unlimited liability over enough syndicates, don't do it."

Such care is required because Names are expected to be members for years. Lloyd's takes three years to close accounts because of late claims. Its most recently completed figures are for 1982. And Names until after this period, though they are kept in managed funds that generate additional returns.

This accounting delay also makes information gathering difficult for Names eager to gauge the performance of the various syndicates. Agents usually provide Names with plenty of data and the Association of Lloyd's Members publishes five-year syndicate results, which can provide a sense of overall performance.

Results can vary widely. For 1982, the A.L.M. says results per £100,000-share ranged from a loss of £22,500 in one syndicate to a profit of £14,477 in another.

Agents caution that Names also should keep an eye on the syndicate's management. "It's important to know if a loss is due to bad luck or bad underwriting," says one.

Just a year ago, Lloyd's reputation was battered by the discovery of fraud and mismanagement in three syndicates run by the FCW



This ledger holds a Lloyd's register.

underwriting agency. According to private investigators and a Lloyd's investigation, the FCW Agency's two founder syndicates of about \$55 million in premiums belonging to their 1,500 Names. A Lloyd's disciplinary committee later found the founders guilty of dishonestly misappropriating funds.

THE money is said to have bought jets, yachts, a French orange juice company, a photographic studio. Though some of the money was recovered, the Names were hit by an additional \$180 million from underwriting or bad luck takes a toll, a member must satisfy all claims, a financial demand that can be higher than the amount he has pledged to syndicates. Indeed, syndicates can underwrite policies for amounts substantially beyond their total pledges.

The premium limit is used only to calculate a Name's share of liability and insurance premiums.

Names can purchase "stop-loss," a special type of reinsurance, but rarely does it completely cover losses.

"People never think of the possibility of making a loss, which is a pity, because unlimited liability is a caution tale," Parnell. Lord Strathmound says, "We are looking for someone who is a risk taker, both in business and in personal life. He must realize that he is putting his everything."

Indeed, in many people's minds, Lloyd's has become synonymous with an aggressive risk-taking approach that has produced a number of offset policies. Insuring Betty Grable's legs for \$1 million is legendary. But probably more interesting was the policy for actress Kerry Wallace, who was insured for \$100,000 South African rands (about \$12,000 in the event her hair failed to grow back after it was shaved off for her role in *Star*

Trick, The Movie. More recently, Lloyd's insured the world's biggest dog for almost £18,000.

Names take comfort from the fundamental idea behind insurance—to make risks bearable by sharing them. Lloyd's officials like to quote an Elizabethan act of Parliament: "the loose lightness rather than upon any, than if heavily upon few." In fact, Lloyd's has had surprisingly few bankruptcies among Names in its 298-year history.

The reason has to do with the number of syndicates that participate in transactions. On receiving a request for insurance, one of Lloyd's 260 brokers sizes up the risk and then negotiates a premium with the lead underwriter at a syndicate, which usually specializes in one of four categories of insurance—marine, non-marine, life, and aviation and automobile.

After an arrangement is struck, the risk is spread over several of Lloyd's 370 syndicates.

Some syndicates are large groups comprising several hundred members, while others may have only a few Names. Their tolerance for risk varies greatly. Some participate only in standard policies, while others veer toward high-risk, big-premium situations.

During a recent year, which begins each June 30, Names usually spread their year's premium limit among over several syndicates for the safety of diversification. The Association of Lloyd's Members recommends 10 syndicates for a £200,000 premium and 20 syndicates for a £500,000 limit.

The organization also suggests that the marine and non-marine categories each receive 40 percent of the premium limit with the remainder divided equally between aviation and automobile.

Each agency has a set number of syndicates at its disposal, so it is not always possible to get the preferred risk, particularly for first-year Names.

Market sectors also vary from year to year. For the past few years, non-marine has suffered, due largely to a U.S. insurance market wracked by overcapacity, costly claims and low premiums.

Last year, for example, in the non-marine category, Lloyd's lost £314 million in general liability claims and another £1 million from covering accident and health claims.

Analysts contend that this sector is improving, with reasonably bright prospects for the next two or three years. The outlook for marine insurance is less upbeat because of the drop in oil prices and consequent drop in premium prices.

All this might point to the present as a good time to become a Name. Lord Strathmound agrees up to a point. "Nothing lasts for ever here. It will all go away—and all come back—again."



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Oil Deposit	DM 5,072	2.80
Yield Dep.	Yield 2.8	3.84
Sw. Dep.	Sfr. 5,078	3.99
N. American	£ 1,22	0.50
Japan	£ 1,22	0.50
Pacific Basin	£ 2,20	0.00
Int. Growth	£ 2,14	0.60
Bal. Inv.	£ 1,58	2.00
Starling Gil.	£ 1,18	9.50
High Income	£ 1,19	9.50
Yen Conv. Bond	Yen 207.28	2.50
European Fund	£ 1,54	0.60
ECU Fund	ECU 1.08	8.50

Capital Strategy
Portfolio Limited

Growth Portfolio	£ 1.89	0.00
Income Portfolio	£ 1.04	0.59
Balanced Portfolio	£ 1.07	1.16

Prices as of 7/2/86

BOURSES

Why Airline Stocks Will Remain Under Pressure

By Edith Cohen

WHEN chairman Donald C. Burr told People Express shareholders at the annual meeting on July 31 that "you can't go back to the future," he was saying goodbye to the pioneering no-frills era ushered in by the airline only five years ago.

Mr. Burr's somber cataloging of changes to be implemented by the industry upset market a turnaround in its pure commitment to no-frills. And although People Express virtually turned the deregulated industry upside down—igniting fare wars and fierce competition for routes and passengers that still rage—Mr. Burr was conceding that the People Express philosophy, in the end, did not work.

With the industry still reeling from first-quarter operating losses of some \$527 million and still trying to get a grip on such major problems as excess capacity and a discount-fare system that is pretty much out of control, People Express is something of a microcosm. How well and how quickly it weeds out unprofitable routes and rationalizes its fare structure will not only determine whether it will survive, but may offer signs of how quickly the industry as a whole can get back on its feet.

In the meantime, however, People Express' changes in strategy and the beneficial effects it may have on the industry have failed to excite investors. And despite talk of an industry turnaround, many experts remain cool to airline stocks.

"I don't own any," says John B. Neff, portfolio manager for the Windsor Fund, a mutual fund in the Vanguard Group, which had been expected to come from the record to predict earnings growth, much less current earnings. Marshall Acuff, portfolio manager for Smith Barney, says he would not be an aggressive buyer of airline stocks.

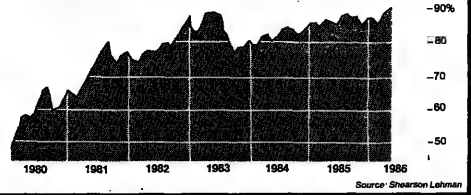
Whatever signs of recovery are on the horizon, the airline still seems some distance away. The summer traffic pickup has been fairly lackluster, and the position before wide-scale consolidation takes place—it is foreboded by the flurry of merger and acquisition activity—is only faintly competitive.

And lower fares, which had been expected to be a blessing for the industry, have instead fueled overcapacity by allowing airlines to keep in service older planes that would otherwise be uneconomical to fly.

On Wall Street, this means that airline stocks

How Discounting Soared

The percentage of total coach traffic on 12 major U.S. airlines sold at discount rates. Only domestic routes are included.



Source: Shearson Lehman

generally have been trading near the low end of their one-year range recently. Virtually all were poor market performers in the second quarter, from the nearly 24-percent drop for People Express to a 5.6-percent gain for Texas Air, according to Smith Barney. By contrast, the Standard & Poor's 400 Index showed a 6.2-percent increase in the same period.

The changes announced by Mr. Burr could take the pressure off other airlines to continue cutting fares. In addition to reducing capacity, People Express has abandoned the concept of a single, low fare on each flight in favor of a more conventional approach, including varied fare levels and a business class.

People's new strategy does not abandon discounts, but it is aimed at improving the revenue yield for each flight. As Gilbert Benz, an economist at A. Gary Shilling & Co., says, "If you're going to offer discounts, you have to fill the plane." Something People Express has not been doing. If the discounts are too extensive, flights will lose money, as the industry has discovered. At the moment, from 80 to 90 percent of revenue passenger miles are discounted, notes Mr. Neff of the Windsor Fund.

With all its changes, reviews are mixed about People's prospects. Robert J. Jodice, an analyst for

Shearson Lehman, expects it to benefit from a sophisticated computerized method of managing its fare structure. But Mr. Acuff says "it's not going to be easy" establishing itself as a business carrier.

The industry as a whole "will see nasty-looking profits for the second quarter," predicts Mr. Benz. The reason for such poor results is the inability of managers to come up with the proper mix of fares.

And Mr. Acuff says he believes that the key to the industry's outlook is improved business travel, which "correlates to the trend in corporate profits," where he does not expect to see improvement until late in the year.

Nevertheless, some analysts are willing to pick those airlines with the best potential for tapping into a recovery. AMR, the parent of American Airlines, tops the overall list. Its Sabre computer system, used by many in the industry, including People Express, and its widely applied Ultimate Super Saver fare are credited with effectively controlling fare variation.

Mr. Jodice notes that management of information is becoming as important to the industry as the efficient management of fleets and ground operations.

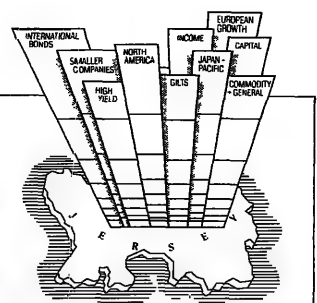
AMR appears on Shearson Lehman's list of 10 uncommon values. Mark E. Daugherty, first vice



People Express planes line up at Newark International Airport.

president at Dean Witter Reynolds Inc., favors AMR as being in the best position in terms of finances, management and overall game plan, which includes the cost-cutting, two-tier labor contract that others in the industry want to emulate. Mr. Daugherty predicts that AMR, which earned \$5.94 a share in 1985, will earn \$4.25 a share in 1986 and \$6 a share in 1987.

He also picks NWA Inc., parent of Northwest Air, for its low stock price and expectations of gains from the acquisition of Republic Airlines. He estimates it will earn a modest \$2.50 a share in 1986 and \$5 a share in 1987. And he looks to USAir, currently at 10 percent below book value, "when investors get more open-minded."



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FUNDS

Can't Beat the Market? Then Join It

By Lynne Curry

London HE hopes of every investor is to outperform the overall market, but few appreciate how difficult that is. Even for professionals, "the odds of beating the market are below 50-50, less than half," calculates Chris Nowakowski, president of Pacific, a Stamford, Connecticut, firm that tracks international money managers and advises pension funds.

Those odds have driven many pension fund officials in the United States to throw in the towel. Instead of trying to find money managers who can beat the market, they have put much of their money in index funds, whose portfolios simply mirror the performance of a popular market index.

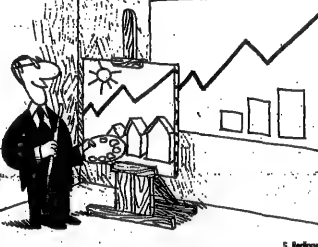
"There is a trend toward indexing," notes Mr. Nowakowski. "It's a slowly growing global phenomenon at the institutional level."

Still recently, index funds were strictly for institutional players and were limited to tracking the performance of the U.S. stock markets. But now there are index funds open to individuals, and the notion has spread to London and Tokyo. The question is how relevant indexing is to an individual investor's goals.

The appeal of indexing can be seen in the performance of the Vanguard Index Trust, a no-load fund that tracks the Standard & Poor's 500 index of U.S. stocks. In the past five years, the average U.S. equity mutual fund gained 117 percent. The Vanguard Index Trust, the only pure index fund in the United States open to individuals, was up 137 percent.

Indeed, the average performance of U.S. mutual funds seldom surpasses the performance of the S&P 500. The first S&P 500 index fund was launched in 1976 as the first time that average mutual fund performance edged out the S&P 500 since the second quarter of 1983.

In the second quarter of 1985, the funds resumed their lagged ways, with an average total return of 5.15 percent versus 5.89 percent for the S&P 500.



S. Ledger

Those U.S. statistics suggest the difficulty of picking a fund that will consistently do better than the market average.

The record of professional investors elsewhere is not much different. In Britain, the average performance over the last 12 months of unit trusts that invest in the London market was 36.2 percent, while the FT All Share Index returned 38 percent, according to Money Management magazine.

Inspired by the indexing phenomenon in the United States, the British fund group Foreign & Colonial launched this year two funds, one indexed to the S&P 500 and the other to London's FTSE 100 index. F&C also plans to launch a fund linked to the performance of Tokyo's Nikkei-Dow Jones Index.

London investment advisers say index funds may hold attraction for institutional investors, but individuals will likely remain cool to the idea. "Investing in index funds is like abdicating responsibility," says Colin Brown, private client director at de Zoete & Bevan, a British brokerage. "It takes out some of the excitement."

Still, the conservative investor with a long view can make a good case for putting a sizable chunk of assets in an index fund. "The advantages are that it's cheap and

gives you somewhat better statistical odds of matching the index than active management does, and it gives a broadly diversified portfolio," says Mr. Nowakowski. Because the managers of index funds are not spending money on research or switching holdings in an effort to chase higher-than-average returns, transaction costs and management fees are low.

John Bogie, chairman of the Vanguard fund group, sees index funds as a good bet for the defensive-minded investor with patience. Overall, he notes, stocks typically outperform other investment alternatives over a period of many years, and index funds tend to outperform actively managed funds. Consistent with that view, he has put all \$15,000 of his tax-deferred retirement account in the Vanguard Index Trust. The negative is obvious: An investor in an index fund gives up the opportunity to bet on a market-beating fund.

One market in which the index approach seems to have found acceptance is Japan. Earlier this year, Nikko Securities started a fund based on the Tokyo Stock Exchange Index. With nearly all of the money invested in 200 of the index's most active shares, the fund has grown to around 100 billion yen (\$653 million). About 60 percent of the money is institutional, with the remainder coming from individuals.

In May, Yamachi International Ltd. started an index fund based on the Nikkei 225 Index. Drawing mostly individual investors, it has attracted more than 122 billion yen. Foreign investors are welcome, says Yamachi officials, but there is one caveat: The fund's brochures are available only in Japanese.

The experience of investors in Japan's year made index funds seem attractive. "Last year, it was almost impossible to outperform the index," explains Etsuo Suzuki, managing director of the London office of Nikko Securities, which has launched a Luxembourg-based index fund for Japanese stocks that is open only to institutions. When compared with the major index, the portfolios of many investors were underweight in the sectors that performed best, such as domestically oriented stocks and banking shares.

Some fund management firms have ambitious plans to create a new family of international index funds, but the task is daunting. London-based River & Mercantile Investment Management until recently had planned to launch a fund that would invest in 390 stocks worldwide to replicate the performance of a widely used index of world markets. Response from institutional investors reportedly was tepid and the launch was postponed.

One of the difficulties of such a fund is raising enough money to buy the wide array of stocks needed to replicate the performance of a global index. Index funds for individual markets such as New York, London and Tokyo are easier

to construct, especially now that there are financial futures and options whose values are linked to major market indexes.

For example, neither the Foreign & Colonial index funds buy stocks outright. Instead, they use a small percentage of the fund's assets to buy index-linked futures contracts on the London International Financial Futures Exchange and the Chicago Mercantile Exchange. The balance of the assets is invested in short-term money market instruments.

The lack of index futures for Frankfurt, Paris or Zurich is one

reason the index idea may be slow to spread to those smaller markets. There is even a question of whether such an approach would make sense in smaller markets, since a handful of stocks often account for a big part of the capitalization of these exchanges.

In some cases, only a half-dozen stocks would be needed to construct a portfolio that would track the market reasonably well. An extreme example is Amsterdam, where three stocks—Royal Dutch/Shell Group, Philips and Unilever—account for about half the market's value.

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COLLECTING

A World of Dragons and Phoenixes

Colorful textiles from China attract a big following

By Lynne Curry

AT first glance, it seemed hardly surprising in 1984 when an imperial robe believed to have been worn by China's Empress Dowager Ci Xi or one of her consorts fetched \$26,400 at a New York auction. The historical appeal was obvious. Known for her extravagance and corruption, the Empress convinced and plotted her way to power and played an instrumental role in the violent anti-foreigner Boxer Rebellion of 1900.

But the hefty sum that this elaborately crafted robe commanded also demonstrated a keen interest in Chinese textiles—a fascination that has taken on greater proportion in recent years while attracting increasing numbers of collectors.

The whole market for textiles is growing, says Clare Savitsky, a textile specialist at Phillips, the London-based auctioneer. "People have more knowledge about them and are more aware of textiles generally than they were five years ago."

The interest goes beyond historical significance. Collectors around the world are paying particular attention to the beauty and workmanship of these Chinese silk treasures.

Most have brilliant colors, intricate embroidery and display symbolic designs such as dragons, phoenixes, bats, fruit, flowers and birds. In the case of Empress Ci Xi's robe, nine gold phoenixes—the symbol of royalty and long life—were embroidered on the long train, the qipao and lavender silk.

"People find them very decorative," acknowledges Jacqueline Simcox, a specialist at Spink & Son Ltd., a London-based dealer in Oriental, Middle Eastern and other art objects.

The growing popularity of Chinese textiles, of course, has been accompanied by higher prices. And the availability of pieces in good condition has dwindled.

Textile centers once were scattered all over China. Beijing, Guangzhou, the coastal area around Shanghai and Kunming, and Chengdu in the west ranked among the biggest producing regions. But since the Communists came to power in 1949, laws have been implemented forbidding the export of antiques.

Some works have been smuggled out of the country, a Chinese

dealer in Hong Kong, who declined to be identified, said families often hid them in batches of ordinary textiles to send them abroad, particularly during the Cultural Revolution when possession of such valuable objects was the ground for being labeled a reactionist.

But most of the items available today were brought out by merchants, sailors, ministers and soldiers who were stationed in China before 1949.

"Over the last five years, prices have risen very steeply for good things," says Connor Mahoney, director of the Chinese works of art department at Sotheby's. "If you spent \$1,000 five years ago, you are looking at \$3,000 to \$4,000 today. But you've got to buy quality. Only quality will appreciate."

Although Chinese textiles come in many forms, robes, sleeve bands, wall hangings and throne covers are among the most popular. Those made with the best or "cut silk" techniques are of particular interest. This intricate method of weaving silk tapestry, where colors are separated by vertical stripes, and can add value to an item.

Mandarin squares, also known as rank badges, are favored by collectors as well. These are usually embroidered squares worn on the shoulders and backs of the robes of officials to designate rank. Those with animals designs were worn by military officers. Civilian officials had squares displaying birds.

Prices of different kinds of textiles vary enormously, depending on the quality and condition. A robe can range from \$100 to \$15,000 (\$150 to \$22,500), while mandarin squares, which often are sold in pairs, are somewhat cheaper, costing from \$40 to \$300.

While the style of many of these items of traditional Chinese dress has existed for centuries, few actual samples made before the 18th century survive. Therefore serious students have generally concentrated on works from the 18th century.

"You've got to buy earlier ones from the 18th century," says Sotheby's Mr. Mahoney. "That's the market that is going to appreciate. Prices of more recent ones, even those that are 100 years old, are being undermined by ones made at the moment. The Chinese are making all types of textiles today and are copying earlier ones."

To the inexperienced eye, it is often difficult to distinguish between 18th and 19th century work, but experts say there are some notable differences. Miss Simcox of Spink & Son says textiles from the 18th century are more delicate, showing "more elegance and finesse." By contrast, 19th century textiles, she says, tend to be more stylized. Brighter rainbow colors and straight stripes are more characteristic.

This kesi robe is plum-colored with gold characters representing long life. The egret in a landscape worked in gold-wrapped silk. It dates from the 17th century.

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STRATEGY

London: Taking the Long View

THE London Stock Exchange had cruised along reasonably well this year, rising nearly 13 percent since Jan. 1, until it ran into a wall of worry last week. Not even an OFEC production agreement, which might have been expected to buoy sterling and the market's mood, was much help.

Instead, sterling plummeted. That a state of signs issues and some weak corporate profit reports added to the anxiety. The cumulative effects of the government's political troubles, such as the Commonwealth flag over Prime Minister Margaret Thatcher's stand against penalizing Pretoria, contributed to the unease.

"The government appeared to be going from one banana skin to another," observes Leonard Kahn, manager of the Vanguard Special Situations unit, which has been busy with Capitol City Myers, the London brokerage. The combined result was the largest single-day slide ever in the FT Ordinary Index.

Stirling's weakness may limit the government's ability to lower interest rates, but it also could help British exporters. He is holding to the view that corporate profits will be up a healthy 15 percent this year.

Mr. Kahn's fund is putting a heavy emphasis on consumer-related shares. "We're keen buyers of the retail sector," he notes. Among the more well-known names, he likes Burton, Marks & Spencer and the specialty retailer, Next. Among lesser-known shares, he finds Kates, a jewelry chain, an attractive play.

William McBride

Market Scoreboard

Stocks on the New York, London and Tokyo exchanges that showed the largest percentage gains and losses in July.

GAINERS			LOSERS		
Percent Gain	Price July 31		Percent Loss	Price July 31	
New York Stock Exchange:					
Compiled by Moody's General Financial Services. Prices in dollars					
Robert Shaw Controls	38	64.75	Floating Point Syst.	57	16.25
McNeil Corp.	35	38.75	Wackenhut Corp.	42	21.00
Coil Industries	32	92.50	Zarbitz Labs.	38	10.50
Hammermill Paper	30	55.00	Aerco	34	10.25
Midland-Rose Corp.	29	27.88	Pulte Home Corp.	33	13.58
Owens-Corning	28	61.50	Cooperation Inc.	31	18.00
Safeway Stores	21	85.25	Electroscop Syst.	31	15.13
Engron Corp.	20	20.25	Pendick	31	16.88
Kaiser Cement Corp.	20	16.83	Phelps Dodge	31	25.29
IGN Pharmaceuticals	19	16.25	Texas Eastern Corp.	31	25.29
American Stock Exchange:					
Compiled by Morgan Stanley Capital International. Prices in yen.					
Serviceco	95	31.76	Ultimate Corp.	37	17.83
Mott's Supermarkets	60	15.00	Spectrum Group	34	10.38
Tri-State Motor Transit	34	17.38	Tempo Enterprises	21	12.88
Goodyear Tire & Rubber	23	41.75	Rockaway Corp.	30	16.75
Lee Pharmaceuticals	18	35.38	Espey Mfg. & Electronics	29	16.86
Over the Counter:					
Converse	73	26.75	Dats Card Corp.	46	13.75
Medchem Products	48	95.00	Norvision	40	11.50
Commonwealth Savings	31	17.50	Tempo Enterprises	39	17.25
Dynascan Corp.	28	12.00	Oracle Systems Corp.	36	15.50
London Stock Exchange:					
Compiled by Morgan Stanley Capital International. Prices in pence.					
United Scientific	18	153	Britoil	35	108
Pentol Group	11	144	Mercury Int'l	23	653
STC	10	162	BSR International	22	83
Sedgwick	9	232	Schroders	21	613
Bank Ireland (IR)	6	119	Lorhio	18	210
Davy Corp.	6	162	Lex Services	18	302
Barbrook Int'l	5	258	Plessey	15	268
Allied Irish Bank (IR)	5	280	British Telecom	14	190
Granada	4	137	Kleinwort Benson	14	725
Tokyo Stock Exchange:					
Compiled by Morgan Stanley Capital International. Prices in yen.					
Tokyo Gas	69	840	Brother Industries	25	625
Osaka Gas	59	580	Shin-Etsu Chemical	24	390
Chubu Electric	53	3,780	Matsushita Comm.	23	2,350
Chugoku Electric	52	2,950	Nippon Gakki	23	1,650
Kansai Electric	46	3,740	Victor Co. Japan	23	2,250
Kandamori	41	1,930	Citizen Watch	22	503
Kyushu Electric	41	2,800	Hitachi Maxell	22	2,040
Tokyo Electric	41	5,750	Mitsubishi Manufacturing	22	1,700
Tohoku Electric	40	2,610	Jeol	22	840
Secom	34	10,300	Mitsubishi Petro.	22	470

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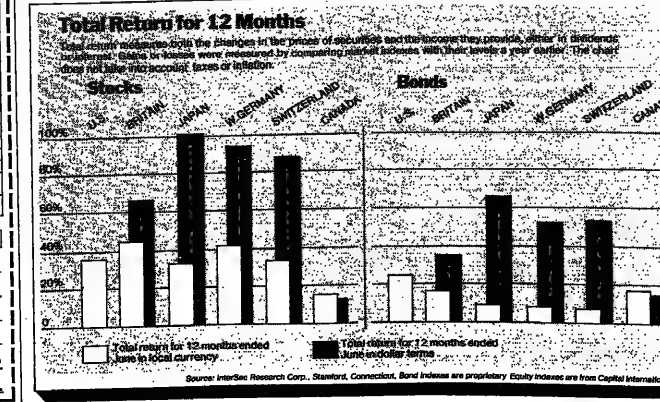
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Source: InterSec Research Corp., Stamford, Connecticut. Bond indexes are proprietary. Equity indexes are from Capital International.

SPORTS

Norman Leads by 4; Tway Cards 64

Compiled by Our Staff From Dispatch
TOLEDO, Ohio — Greg Norman, who had raised his lead in the 68th annual PGA Championship to four strokes Friday, maintained that advantage through Saturday's third round as he sought to win his second major golf title in less than a month.

But a new threat moved in as Bob Tway, one of the year's outstanding golfers, shot an 18-hole 64 to move into second place, carding a 69 for a 202 total. He had held the lead going into the final round of each of the four major tournaments in one year. He did not win the Masters or the U.S. Open, but he did take last year's British Open for the first major championship of his career.

Tway, who broke Norman's 2-day-old course record, and Peter Jackman, who shot 70 for a 208 total, were the only players within six shots of the lead.

"I played a fairly solid round," Norman said, "although it wasn't as crisp as the first two" of 65 and 68. "I didn't want to let too many people get close."

The Australian clinched on the fourth hole for the first of his four rounds made an incredible save taking a 6-iron that went into the hole.

"I felt I was striking the ball well, but it just wouldn't go in," said Norman, 31, who made a 20-foot (6-meter) putt for birdie on the 16th. "I don't feel my putter let me down. I just figured today was not my day to make putts. Maybe tomorrow will be. I didn't want to make a bad mistake by running putts four feet by the hole."

The crowning glory of Norman's round was the par on the 52nd yard. His drive stopped at the edge of a bunker, giving him an off-balance shot, a 6-iron that went into the hole.

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into trouble when his ball kicked right and bounced into the lake at the par-3 third hole. That happened a few minutes after Jacobson, starting five shots behind, had hit into that lake.

Hubert, who was five back, failed to get a birdie on the second hole, when a six-foot putt slipped out, and shot 72. Jim Thorpe, tied with Nicklaus, finished with a 73 after taking a double-bogey 6 on the fourth hole, when Norman, minutes later, clipped in.

Thorpe's approach over the deep valley fronting the green at the straight, 46-yard, par-4 hole hit short three feet onto the green but had too much backspin. The ball never stopped rolling backward until it was at the bottom of the valley.

Two, the 27-year-old Oklahoma State University product who has won three PGA tournaments and more than \$460,000 this year, had eight birdies, four on each side, and one bogey, when he three-putted on the ninth hole.

He carded 72 and 70 the first two days, but said that there was not much difference in his three rounds.

"I played better the first two days than I actually scored," he said. "I just didn't put too well. Today, I probably played a little better, but the difference was I made some putts."

Among his eight birdies were putts of 25 feet on No. 7, 30 feet on No. 15 and 25 feet on No. 17.

"I only missed one green and a couple of fairways and gave myself a chance to make a lot of birdies," he said.

On Friday, Norman birdied three of the last four holes, shooting a 68 after a short, heavy rain disrupted his chance for a birdie at the 15th hole.

"I was mad when I bogeyed 11 and 14," he said of his first bogies in the tournament. "I didn't want any bogies this week. I'm dying for the day when I shoot 72 holes without a bogey. When I get those bogies I just said to myself that let's have a good run to the barn."

So he sank an 18-foot putt for birdie at 15, a 20-footer at 17 and a 24-footer at 18.

Stewart and Hubert finished at 157, with Nicklaus, Jacobson and Thorpe at 158.

Stewart, who drove with his own seven times, turned in a round of 67 with four birdies and no bogey.

Nicklaus shot a 68 but, as he was the case in his first round, when he bogeyed the 16th and 17th, could have done better if it had not been for his first. The 46-year-old winner of the 1980 when he three-putted from the left fringe of the green.

Hubert, 28 and playing in his first PGA Championship and only his second major tournament, bogeyed the first and last holes Friday and the Nicklaus, had five birdies and no bogey for a 68.

Thorpe got to a good start when he clipped into the cup at the second hole for a birdie on his way to a 68.

Among those who failed to make the cut at the halfway point were U.S. Open champion Raymond Floyd (147), former Masters champion Bernhard Langer (147) of West Germany and Seve Ballesteros (150) of Spain, who finished in his last U.S. tournament this year and had made the cut in 10 consecutive majors, the longest streak going. (UPI, UPI, Reuters)

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New Starter Homers In 9th, Yankees Win

Compiled by Our Staff From Dispatch
NEW YORK — Dan Pasqua, who started in the New York Yankees' lineup for the 68th straight game, led off the bottom of the ninth inning.

SATURDAY BASEBALL
 ninth inning Saturday with a home run that beat the Kansas City Royals, 3-2.

Leo Pinella, his manager, "told me early in the week to come ready to play," said Pasqua. "They are looking us in against everyone. Knowing you're going to play for a while helps an awful lot."

Pasqua, whose left-handed swing goes well with the short right-field fence at Yankee Stadium, hit his 10th home run this year, to right-center off an 0-1 pitch from Bud Black. "It was an inside fastball," Pasqua said. "I wasn't sure if it was a strike, but I thought I could drive it."

Bret Saberhagen, the 1985 Cy Young Award winner and World Series star, left the game in the second inning because of shoulder stiffness, having thrown 37 pitches. He allowed a run in each inning and the team said he would be demoted Monday to Kansas City.

Angels 6, Yankees 7: In Anaheim, California, Jim Campy pitched a three-hitter and Doug DeCinces drove in three runs with two homers and a single.

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mate Calvin Schiraldi halted an eight-inning rally to help Boston in the third game of the series.

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SCOREBOARD

Golf

PGA Championship

Scorecard from Saturday's third round of the 1993 PGA Championship tournament, including the 14th hole, June 7, 1993, at the TPC at Sawgrass in Daytona, Fla.

Greg Norman	65-68-64-69	206	1st
Ben Crenshaw	72-71-70-70	203	4th
Raymond Floyd	73-72-73-72	200	7th
John Mahaffey	73-72-73-72	200	10th
John Cook	73-72-73-72	200	13th
John Cook	73-72-73-72	200	16th
John Cook	73-72-73-72	200	19th
John Cook	73-72-73-72	200	22nd
John Cook	73-72-73-72	200	25th
John Cook	73-72-73-72	200	28th
John Cook	73-72-73-72	200	31st
John Cook	73-72-73-72	200	34th
John Cook	73-72-73-72	200	37th
John Cook	73-72-73-72	200	40th
John Cook	73-72-73-72	200	43rd
John Cook	73-72-73-72	200	46th
John Cook	73-72-73-72	200	49th
John Cook	73-72-73-72	200	52nd
John Cook	73-72-73-72	200	55th
John Cook	73-72-73-72	200	58th
John Cook	73-72-73-72	200	61st
John Cook	73-72-73-72	200	64th
John Cook	73-72-73-72	200	67th
John Cook	73-72-73-72	200	70th
John Cook	73-72-73-72	200	73rd
John Cook	73-72-73-72	200	76th
John Cook	73-72-73-72	200	79th
John Cook	73-72-73-72	200	82nd
John Cook	73-72-73-72	200	85th
John Cook	73-72-73-72	200	88th
John Cook	73-72-73-72	200	91st
John Cook	73-72-73-72	200	94th
John Cook	73-72-73-72	200	97th
John Cook	73-72-73-72	200	100th

James Blair	73-72-75-78	210	35th
Leslie Lane	73-72-75-78	210	36th
Gary Koch	73-72-75-78	210	37th
Robert Grant	73-72-75-78	210	38th
Steve Stricker	73-72-75-78	210	39th
Steve Stricker	73-72-75-78	210	40th
Steve Stricker	73-72-75-78	210	41st
Steve Stricker	73-72-75-78	210	42nd
Steve Stricker	73-72-75-78	210	43rd
Steve Stricker	73-72-75-78	210	44th
Steve Stricker	73-72-75-78	210	45th
Steve Stricker	73-72-75-78	210	46th
Steve Stricker	73-72-75-78	210	47th
Steve Stricker	73-72-75-78	210	48th
Steve Stricker	73-72-75-78	210	49th
Steve Stricker	73-72-75-78	210	50th
Steve Stricker	73-72-75-78	210	51st
Steve Stricker	73-72-75-78	210	52nd
Steve Stricker	73-72-75-78	210	53rd
Steve Stricker	73-72-75-78	210	54th
Steve Stricker	73-72-75-78	210	55th
Steve Stricker	73-72-75-78	210	56th
Steve Stricker	73-72-75-78	210	57th
Steve Stricker	73-72-75-78	210	58th
Steve Stricker	73-72-75-78	210	59th
Steve Stricker	73-72-75-78	210	60th

Mark Hareis	73-72-75-78	210	61st
Mark Hareis	73-72-75-78	210	62nd
Mark Hareis	73-72-75-78	210	63rd
Mark Hareis	73-72-75-78	210	64th
Mark Hareis	73-72-75-78	210	65th
Mark Hareis	73-72-75-78	210	66th
Mark Hareis	73-72-75-78	210	67th
Mark Hareis	73-72-75-78	210	68th
Mark Hareis	73-72-75-78	210	69th
Mark Hareis	73-72-75-78	210	70th
Mark Hareis	73-72-75-78	210	71st
Mark Hareis	73-72-75-78	210	72nd
Mark Hareis	73-72-75-78	210	73rd
Mark Hareis	73-72-75-78	210	74th
Mark Hareis	73-72-75-78	210	75th
Mark Hareis	73-72-75-78	210	76th
Mark Hareis	73-72-75-78	210	77th
Mark Hareis	73-72-75-78	210	78th
Mark Hareis	73-72-75-78	210	79th
Mark Hareis	73-72-75-78	210	80th
Mark Hareis	73-72-75-78	210	81st
Mark Hareis	73-72-75-78	210	82nd
Mark Hareis	73-72-75-78	210	83rd
Mark Hareis	73-72-75-78	210	84th
Mark Hareis	73-72-75-78	210	85th

DID NOT QUALIFY

Andy Meyer	73-72-75-78	210	86th
Andy Meyer	73-72-75-78	210	87th
Andy Meyer	73-72-75-78	210	88th
Andy Meyer	73-72-75-78	210	89th
Andy Meyer	73-72-75-78	210	90th
Andy Meyer	73-72-75-78	210	91st
Andy Meyer	73-72-75-78	210	92nd
Andy Meyer	73-72-75-78	210	93rd
Andy Meyer	73-72-75-78	210	94th
Andy Meyer	73-72-75-78	210	95th
Andy Meyer	73-72-75-78	210	96th
Andy Meyer	73-72-75-78	210	97th
Andy Meyer	73-72-75-78	210	98th
Andy Meyer	73-72-75-78	210	99th
Andy Meyer	73-72-75-78	210	100th
Andy Meyer	73-72-75-78	210	101st
Andy Meyer	73-72-75-78	210	102nd
Andy Meyer	73-72-75-78	210	103rd
Andy Meyer	73-72-75-78	210	104th
Andy Meyer	73-72-75-78	210	105th
Andy Meyer	73-72-75-78	210	106th
Andy Meyer	73-72-75-78	210	107th
Andy Meyer	73-72-75-78	210	108th
Andy Meyer	73-72-75-78	210	109th
Andy Meyer	73-72-75-78	210	110th

Alonso Perales	73-72-75-78	210	111th
Alonso Perales	73-72-75-78	210	112th
Alonso Perales	73-72-75-78	210	113th
Alonso Perales	73-72-75-78	210	114th
Alonso Perales	73-72-75-78	210	115th
Alonso Perales	73-72-75-78	210	116th
Alonso Perales	73-72-75-78	210	117th
Alonso Perales	73-72-75-78	210	118th
Alonso Perales	73-72-75-78	210	119th
Alonso Perales	73-72-75-78	210	120th
Alonso Perales	73-72-75-78	210	121st
Alonso Perales	73-72-75-78	210	122nd
Alonso Perales	73-72-75-78	210	123rd
Alonso Perales	73-72-75-78	210	124th
Alonso Perales	73-72-75-78	210	125th
Alonso Perales	73-72-75-78	210	126th
Alonso Perales	73-72-75-78	210	127th
Alonso Perales	73-72-75-78	210	128th
Alonso Perales	73-72-75-78	210	129th
Alonso Perales	73-72-75-78	210	130th
Alonso Perales	73-72-75-78	210	131st
Alonso Perales	73-72-75-78	210	132nd
Alonso Perales	73-72-75-78	210	133rd
Alonso Perales	73-72-75-78	210	134th
Alonso Perales	73-72-75-78	210	135th
Alonso Perales	73-72-75-78	210	136th
Alonso Perales	73-72-75-78	210	137th
Alonso Perales	73-72-75-78	210	138th
Alonso Perales	73-72-75-78	210	139th
Alonso Perales	73-72-75-78	210	140th

Football

CFL Standings

	Eastern Division	Western Division	Playoffs
Toronto	2	3	1st
Edmonton	2	3	2nd
Ottawa	2	4	3rd
Hamilton	1	2	4th
Bell City	2	1	5th
San Francisco	2	1	6th
Washington	2	1	7th
Colony	2	4	8th

October 31, Toronto 3

NFL Exhibition Scores

FRIDAY'S RESULTS	SATURDAY GAMES
Philadelphia 10, Cleveland 7	Chicago 13, Pittsburgh 13
Seattle 21, Indianapolis 14	San Francisco 17, Tampa Bay 17
San Francisco 17, Tampa Bay 17	Cleveland 10, Baltimore 10
San Francisco 17, Tampa Bay 17	Kansas City 13, Cleveland 8
San Francisco 17, Tampa Bay 17	San Diego 24, Dallas 10
San Francisco 17, Tampa Bay 17	New Orleans 10, Denver 7

San Francisco 17, Tampa Bay 17	San Francisco 17, Tampa Bay 17
San Francisco 17, Tampa Bay 17	San Francisco 17, Tampa Bay 17
San Francisco 17, Tampa Bay 17	San Francisco 17, Tampa Bay 17
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San Francisco 17, Tampa Bay 17	

Hidden Gender and Weenie Roasts

However, Macdonald says that buying Alford's "highlights" is not appropriate for a business-to-business customer. While the decorations were fine, he says, "I don't find anything I read in the book."

But, which means "fashion" is the promise and price of the effort to change